Great Expectations: The Persistent Effect of Institutions on Culture*

Anastasia Litina†

July 18, 2014

Abstract

This research establishes the persistent effect of institutions on culture exploiting the natural experiment of migration. It advances and empirically establishes the hypothesis that lower institutional quality at the origin country of a migrant is associated with higher trust towards host country institutions. The *inflated* trust of migrants is documented as the *Great Expectations* effect and is intriguing in three respects. First it contradicts with the empirically observed attitude of migrants with respect to interpersonal trust, where low quality of institutions is associated with lower interpersonal trust in both the host and the home country. Second, the *inflated* trust persists for both first and second generation migrants. Third, the effect of home institutions is stronger than the effect of mean trust at home confirming that institutions prevail over culture. The formation of *Great Expectations* has profound policy implications as it generates lower demand for regulation and reduced political participation. These findings further highlight the interplay between culture and institutions and the spillover effects of institutions operating via migration.

Keywords: Trust, Institutions, Culture, Migration

JEL Classification Numbers: F22; O17

*The author is grateful to Jean-Francois Carpantier, Paul Devereux, Frederic Docquier, Claire Economidou, Elias Papaioannou, George Panos, Pascalis Raimondos-Moller, Marc Sangnier and Fabrizio Zilibotti for useful comments and suggestions. I would also like to thank participants of the IMAEF conference and the seminar series of CEPS-INSTEAD for their helpful comments and suggestions.

†University of Luxembourg, Faculty of Law, Economics and Finance, 148, Avenue de la Faiencerie, L - 1511 Luxembourg (e-mail: anastasia.litina@uni.lu)

1 Introduction

The interplay between culture and political institutions has long been debated and explored in the economics literature. Understanding how culture evolves can contribute to pinning down differences across societies that cannot be fully accounted for by geographical, historical and economic differences. Moreover understanding the mechanics of culture can help understand how culture interacts with institutions and how one feedbacks to the other.

Attempting to give a response to the question whether culture or institutions came first is tantamount to the "chicken-egg" question, therefore addressing the issue of endogeneity inherent in their between relationship is a challening task. A number of researchers have adopted intuitive strategies, such as abrupt exogenous institutional changes, in order to be able to estimate an one-way causal effect from institutions to culture. Typical examples of this literature are the natural experiment of socialism or the fall of the iron curtain (e.g. Shiller et al. (1992), Alesina and Fuchs-Schundeln (2007)).

This research attempts to undertake this challenge via using the natural experiment of migration in order to establish the persistent effect of institutions on culture. In particular, it is argued that lower institutional quality at the country of origin of a migrant is associated with higher trust towards institutions at the host country. This *inflated* trust of migrants is documented as the *Great Expectations* effect. This result is interesting and intriguing for several reasons. First, it establishes a persistent effect of institutions over cultural attitudes of migrants. Interestingly, the inflated trust of migrants is transmitted even to the second generation migrants. Yet, the interaction of the second generation migrants with their origin country institutions is in most cases minimal (if non-existent). Therefore, this result is driven by the cultural attitudes transmitted to them by their parents.

However, even in the context of the first generation migrants, where the *Great Expectations* effect is even stronger, the result is suggestive of another dimension along which migrant selection operates, i.e., their preference for good institutions. Whereas bad institutional quality at the origin country has a negative effect on their trust towards native institutions, this attitude is reversed once they decide to migrate. Upon migration, low institutional quality at the origin country is associated with inflated trust in the host coutnry institutions.

This finding is surprising in several dimensions. First, it is not clear what should be anticipated as far as migrants' trust in the host institutions is concerned. On the one hand, to the extend that their decision to migrate is driven by purely economic conditions and to the extend that better institutions are associated with better economic performance, one would anticipate that indeed bad institutional quality at the origin country is associated with more trust towards the institutions of the host country. On the other hand though, assimilation of migrants is hardly fully achieved. Even in the context of developed European countries the rise of anti-immigrant sentiments and the rise of extreme right wing parties is indicative

of the fact that migrants do not have full access to all the institutions. Therefore their exclusion could make them less trustful towards the host institutions. The findings of this research establish that the first line of reasoning prevails, even after controlling for a number of covariates that capture the assimilation rate of a migrant's culture. Migrants despite being potentially discriminated against, they persistently *inflate* their trust towards the institutions of the host country.

A second element that is surprising is that migrants' trust is inflated only towards the host institutions. When it comes to interpersonal trust the findings are quite the opposite, suggesting that bad institutional quality is associated with lower interpersonal trust in *both* the *host* and *home* country. This suggests that the *great expectations* of migrants are in place only when it comes to more *abstract* notions of institutions (e.g., the legal system or politicians) with whom they do not directly interact. On the contrary, when it comes to institutions with which they directly interact (e.g., education or the health system) they do not manifest *inflated* levels of trust. This is suggestive of the fact that their expectations adjust more rapidly.

So far only the effect of the country of origin institutions on culture has been analyzed. However a strand of the cultural economics literature emphasizes that attitudes at the origin country also manifest inertia.[1] Analytically, this implies that it is not only the quality of institutions (e.g., corruption or bureaucracy) that has an effect on trust towards institutions, but also the mean level of trust at the origin country towards institutions that affects individual attitudes. This representative culture has been shaped over decades and affects individual attitudes via indirect transmission mechanisms (i.e., socialization). To distinguish between these two forces of culture formation the empirical analysis runs a horserace regression between home quality of institutions (proxied by the Corruption Perception Index) and the average trust attitudes (proxied by the mean level of trust towards institutions) at the home country. The findings are rather interesting. First, in line with the findings of the literature, mean attitudes at home have a persistent effect on the attitudes of migrants at the host country, i.e., individual coming from less trustful countries tend to distrust institutions more in the host country as well. Howewer, the *great expectations* effect, driven by institutional quality, is very strong and operates in the opposite direction, i.e. individuals coming from more corrupt countries tend to *inflate* their trust towards the institutions of the host country (despite the fact on average they are most distrustful than individuals coming from countries with better institutional quality). Overall, the results of the horserace establish that the *great expectations* effect prevails.

Last but not least, it is important to understand what are the policy implications of the formation of *great expectations*, an issue that becomes increasingly important in the presence

[1] See e.g., the literature on preferences for redistribution or environmental preferences (Luttmer and Singhal, 2011; Litina et al., 2014)

of large scale migration. The results of the paper suggest, following the rational of Aghion et al. (2010), that higher trust of individuals towards institutions is associated with lower demand for regulation in the host country and thus lower willingness to actively participate in politics. The value added of this approach, is that instead of adopting as the explanatory variable the level of trust (an approach that suffers from endogeneity), it adopts the measure of average quality of institutions at the home country, a measure that is exogenous to their demand for regulation. Thus this approach provides an exogenous test to establish the effect of trust on the demand for regulation. The exogeneity assumption is particularly true for second generation migrants.

Evaluating this political outcome is beyond the scope of the analysis. Yet one can identify both positive and negative aspects. On the positive side it can desirable since lower demand for regulation is associated with lower actual regulation and lower bureaucratic burden (Aghion et al., 2010). On the negative side it can be argues that less active citizen impose a lower level of checks and balances towards institutions.

A second reason that makes these findings crucial in the context of policy, is that they highlight the interplay between institutions and culture and provide a consice channel via which culture and institutions interact. This channel is particularly active in the modern world where large scale migration is a fact for most developed countries. Institutions in the host country foster cultural attitudes that ultimately affect institutions in the host country.

Section 2 explores in detail the related literature. Section 3 of the paper describes the data, the empirical strategy and discusses the issue of selective migration. Section 4, presents the baseline empirical results of the paper. Section 5 discusses some issues related to the baseline analysis, whereas Section 6 concludes.

2 Related Literature

This paper relates to several strands of the literature on cultural economics. First it builds upon the literature that identities the transmission of cultural traits via exploiting the natural experiment of migration. Giuliano (2007) has exploited variations in the living arrangements of second generation migrants living in the US to establish that the sexual revolution of the 70's had a differential impact on living arrangements in Northern and Southern Europe. Fernández and Fogli (2009) have exploited variations in the fertility of second generation women currently residing in the US and have established that differences in fertility can be traced to differences in culture. Alesina and Giuliano (2010) establish that the structure of the family has a pronounced effect on economic behavior and attitudes of migrants and affects both labor force participation and mobility of women and the youth. Algan and Cahuc (2010) have exploited the cultural transmission of trust traits in order to construct a

panel for trust attitudes and estimate a causal effect of trust on growth. Luttmer and Singhal (2011) highlight that differences in preferences for redistribution are positively correlated to the mean preferences of the country of origin. Carpantier and Litina (2014) exploited the inherited component in religiosity of second generation migrants to estimate the effect of several aspects of religiosity on economic outcomes. Litina et al. (2014) argue that environmental preferences are not affected by the country of origin environmental conditions, instead what prevails is the mean preferences at the origin country.

Second, the paper relates to the literature that explores the persistent effect of institutions on culture. The main challenge of this literature is to identify changes in the institutional regime that are exogenous to the forces of cultural evolution. Shiller et al. (1992) explored the effect of socialism on individual traits by exploiting the collapse of communism. Their findings suggest that there is hardly any effect on traits such as entrepreneurial spirit, leadership or risk attitudes. Alesina and Fuchs-Schundeln (2007) exploiting the natural experiment of the German unification they establish that East Germans are more favorable towards redistribution and state intervention. Becker et al. (2011) advance the hypothesis that the Habsburg empire has a long lasting effect on current attitudes of individual with respect to trust in local public services as well as with respect to corruption in courts and the police. Giuliano and Spilimbergo (2009) exploiting exogenous variation from macroeconomic shocks establish that individuals who have been through a recession at the early stages of their life are more favorable towards government redistribution and are more left-wing oriented.

The interplay between culture and institutions is also a central theme in this literature. This nexus has been identified in Aghion et al. (2010) who explore the correlation between regulation and distrust and argue that in the presence of a high level of trust there is low demand for regulation. Alesina et al. (2010) establish the effect of family ties on labor market regulation and find two different equilibria characterized by high (low) mobility and unregulated labor markets (labor market rigidity) in the presence of strong (weak) family ties. Pinotti (2012) shows that differences in trust capture most of the variation in entry regulations. Michalopoulos and Papaioannou (2013, 2014) argue that culture prevails over institutions and can account for within ethnicity differences in economic performance, as proxied by light density. The interplay between institutions and culture has also been widely developed in the context of the comparative development literature (Acemoglu et al., 2001, 2005; Ashraf and Galor, 2011b; Galor, 2011; Nunn and Wantchekon, 2011; Andersen et al., 2011; Ashraf and Galor, 2013; Doepke and Zilibotti, 2013)).

This paper conrtibutes both in establishing a causal effect from institutions to culture and in capturing the interplay between the two. First it exploits variations in the quality of institutions at the origin country to explore whether home institutions affect the cultural attitudes of migrants. Interestingly, the findings suggest the presence of an *inflated* level of trust documented as the *great expectations* effect. Second, the policy results of this paper

indicate that migrants coming from more corrupt countries tend to trust politicians more and thus demand less regulation. This implies both a lower burden of bureaucracy and a lower level of checks and balances. Whether the overall effect is on the positive or negative side depends on the relative strength of each effect.

Third, it relates to a sociological literature that traces high levels of political trust across migrants, the so-called acculturation hypothesis. Anderson and Tverdova (2003) argue that citizens from highly corrupt countries tend to express more negative evaluations about the political system and trust civil servants less. They also argue that migrants form high expectations with respect to political institutions in the new country which are initially fulfilled but do not carry to the next generations. Similarly a number of studies have argued that migrants coming from poor countries with low quality of institutions tend to manifest high levels of trust that dissipate over time with the length of residence and dissipate in the second generation (Michelson, 2003; Wenzel, 2006; Maxwell, 2010; Roder and Muhlau, 2012; Adman and Stromblad, 2013; Roder and Mohlau, 2011).

This research empirically explores the sources of the acculturation hypothesis. Moreover, it dissects the forces behing the formation of culture. It identifies two opposing forces, the effect of institutions at the origin country vs the effect of mean attitudes at the origin country. It establishes the presence of a *great expectations* effect, driven by institutions, that is stronger than the effect of mean attitudes. The results suggest that this effect is present only in the case of *abstract* institutions (e.g., the politicians). When it comes to institutions with which the migrants interact daily (e.g., education) adjustmen takes place instantaneously. Interestingly and contrary to the predicitions of the sociology literature, it establishes that this effect is persistent and is transmitted to the second generation migrants as well.

Last, it contributes to a large literature that has explored the effect of interpersonal trust on the society and the economy. See e.g. Knack and Keefer (1997); Guiso et al. (2006) for an exploration of the effect of social capital on economic performance, Guiso et al. (2004) for the effect of social capital on financial markets, Sangnier (2013) for the effect of trust on macroecnomic stability and Algan and Cahuc (2010) for the (causal) effect of trust on growth.

Whereas the analysis in the paper focuses primarily in political trust, nevertheless the results on interpersonal trust have been explored as well. The findings are intriguing as they suggest that the *great expectations* effect is not present in the case of interpresonal trust. Lower institutional quality implies less interpresonal trust both at the host and the origin country. Moreover, in the horserace between the effect of institutions and of mean interpersonal trust both effects prevail.

3 Data, Empirical Strategy and Selection

3.1 The Data

The analysis employs data from four waves of the European Social Survey (2004-2010), a cross sectional survey conducted in a number of European countries.[2] The ESS is a cross-national survey that quantifies the attitudes, beliefs and behavior patterns of citizens in more than thirty European countries. In particular the ESS sample comprises individuals who currently reside in Austria, Belgium, Bulgaria, Switzerland, Cyprus, Czech Republic, Denmark, Estonia, Spain, Finland, France, United Kingdom, Greece, Hungary, Croatia, Ireland, Israel, Italy, Lithuania, the Netherlands, Norway, Poland, Portugal, Russia, Sweden, Slovenia, Slovakia, Turkey and Ukraine.

One element in the construction of the dataset is that it provides a migrant identifier that allows to trace migrants up to the second generation, as well as specific information about the mother's and the father's country of origin. This element is crucial since it allows researchers to exploit the natural experiment of migration in order to explore the evolution of cultural traits. The identifying assumption is that when migrants move to a host country their current attitudes are no longer directly affected by the country of origin living conditions and institutions, only via their effect on culture (Fernández and Fogli, 2009).

The analysis reports attitudes of N=22311 first and second generation migrants, whose father's originate from 167countries all over the globe and have migrated in 30 European countries. Tables A.1- A.6 describe the immigration flows by birth country. The first column in each table shows the country of origin, Column (2) indicates the number of distinct destination countries in the sample, Column (3) indicates the number of immigrants coming from the country of origin, Column (4) indicates the most prevalent destination country, whereas the last Column reveals the number of migrants that have migrated to the most prevalent destination country. Similarly, Table A.7 in the Appendix describes the migration flows by destination country. The first column indicates the destination countries in the sample, Column (2) the number of distinct birth countries of all migrants that have participated in the ESS questionaire, Column (3) the total number of immigrants in the destination country, Column (4) the most prevalent birth country and the last column the total number of immigrants coming from the most prevalent country.

Using the migrant identifier, the sample of migrants is distinguished between first and second generation migrants ($N_1 = 13352$ and$N_2 = 8959$ correspondingly). To identify the migrants' country of origin, the analysis employs the individuals' country of origin for the first generation migrants and the father's country of origin for the second generation migrants.[3]

[2]The first wave is omitted as it does not provide information on the migrant identifier.

[3]The results are robust to choosing the mother's country of origin instead. Results are reported in Table 16 in the robustness section.

The baseline analysis is conducted using the total sample of migrants in order to maximize the number of observations, however the results are replicated for the sample of first and second generation migrants separately, in order to mitigate selective selection concerns (Tables 10 and 11 correspondingly).[4]

Respondents are given the question "Using this card, please tell me on a score of 0-10 how much you personally trust each of the institutions I read out. 0 means you do not trust an institution at all, and 10 means you have complete trust. Firstly [country]'s...." for all four main variables that will be used in the current papers, i.e. parliament, the legal system, politicians and the police.

As far as interpersonal trust is concerned, respondents are given the statement "Generally speaking, would you say that most people can be trusted, or that you can't be too careful in dealing with people? Please tell me on a score of 0 to 10, where 0 means you can't be too careful and 10 means that most people can be trusted".

The basic measure of institutional quality employed in the baseline analysis is the Corruption Perception Index. The index takes values from 0-10 with 10 indicating the most corrupt country. The measure has been modified compared to the original one to facilitate interpretation of the results. The index is aggregated over the period 1996-2000, in order to address any concerns with respect to the fact that it is a perception measure that fluctuates significantly. To further ensure the robustness of the results though, alterative measures are employed for different time periods.[5]

The ESS also provides information about the age of the respondent, the gender, employment status, the highest level of education achieved, level of income, parental and spousal education, the religious denomination in which he belongs, citizenship, belonging to a discriminated group or not, and whether the individual voted or not in the latest election.

Appendix C provides a detailed description of all the variables used in the baseline analysis and the robustness.

3.2 Empirical Strategy

The aim of the paper is to establish that low institutional quality in the home country is positively affecting the trust of migrants in institutions such as the parliament and the legal system, i.e. the migrants form *Great Expectations* about the host's country institutions. This result is intriguing as it contradicts a standard prediction in this literature, i.e. that interpersonal trust in the origin country is positively affecting trust of migrants in the host country.

[4] As will be analyzed below thought, selective migration in the context of the current research question is not an issue. The study partly identifies a dimension along which selection may occur.

[5] See for instance Tables 12 and 13 in the robustness section.

To establish the persistent effect of institutions on culture the analysis is conducted in two stages.

Stage 1: The Persistent Effect of Institutions over Culture In the first stage the effect of institutions at the origin country on migrants' trust in institutions at the host country is explored.

The reduced form model is

$$T_{jhit} = \alpha_0 + \alpha_1 \mathbf{C}_i + \boldsymbol{\alpha}_2 \mathbf{I}_j + \boldsymbol{\alpha}_3 \boldsymbol{\Phi}_h + \boldsymbol{\alpha}_4 \mathbf{T}_t + \varepsilon_{jhit} \tag{1}$$

where T is an index of the level of trust of individual j, residing in host country h, with ancestry i, who participated in the tth ESS round. Four different measures of trust are employed, i.e. trust in the parliament, in the legal system, in politicians and the police. C_i is a measure of quality of institutions that the individual j was faced with in his ancestry country i.[6] The analysis controls for a vector of individual controls such as age, age square, gender, employment status and educational level.[7] Φ_r is a vector of host country fixed effects that captures all unobserved heterogeneity at the host country level. $\mathbf{T}_t$ is a vector of ESS round fixed effects aimed to capture round specific shocks that could have had an effect on individual responses. ε_{jri} is an individual specific error term. The standard errors are corrected for clustering at the dimension of the country-of-ancestry.[8]

The empirical analysis establishes that lower quality of institutions in the home country is correlated with higher trust in institutions in the host country. This suggests that institutional quality has a persistent effect on trust of migrants, an effect that is not in line with the effect that the institutions have on the trust of natives.[9]

Stage 2: Horserace Regressions between Institutional Quality and Mean Preferences at the Origin Country The second stage explores whether indeed institutions prevail over preferences and their effect on cultural traits. The estimated equation is

[6] Or his ancestors for the case of second generation migrants.

[7] Tables 14 and 15 control for a multitude of additional individual controls such as income, citizenship and other controls that capture the assimilation process of the individual. These controls are not included in the baseline analysis due to the fact that the number of observations is significantly reduced.

[8] Table 18 explores the robustness of the results to clustering the standard errors both at the host and the origin country dimension. The results are also robust to clustering at the dimension of the origin country and of the ESS round.

[9] Correlating native trust in institutions with the quality of local institutions yields a negative correlation for the sample of ESS countries. A formal empirical analysis is not undertaken since such a regression would suffer from severe endogeneity, however Table B.1 report the regression coefficient for trust of natives regressed on home institutions and the correlation is positive and highly significant, suggesting that lower quality of institutions is associated with lower trust of native towards home institutions.

$$T_{jhit} = \alpha_0 + \alpha_1 \mathbf{C}_i + \beta \mathbf{MP}_i + \boldsymbol{\alpha}_2 \mathbf{I}_j + \boldsymbol{\alpha}_3 \boldsymbol{\Phi}_h + \boldsymbol{\alpha}_4 \mathbf{T}_t + \varepsilon_{jhit} \tag{2}$$

where MP_i denotes mean preferences at home with respect to each trust measure, i.e. mean trust in parliament, legal system, politicians and the police. Since the mean measures are derived by the ESS sample after excluding all migrants residing in a country, the number of countries is restricted to the 30 available ESS countries. Nevertheless, the results strongly suggest that whereas mean preference at the home country is positively (and in some cases significantly) correlated with trust of migrants, yet the dominating effect is that of institutional quality. The coefficient α_1 is still positive and highly significant.

Policy Implications Last, the analysis explores the policy implications of these results. In line with the argumentation of (Aghion et al., 2010), the analysis explores whether this higher trust of migrants, triggered by the bad quality of institutions at the origin country, is associated with less demand for regulation. The reduced form model is

$$R_{jhit} = \alpha_0 + \alpha_1 C_i + \boldsymbol{\alpha}_2 \mathbf{I}_j + \boldsymbol{\alpha}_3 \boldsymbol{\Phi}_h + \boldsymbol{\alpha}_4 \mathbf{T}_t + \varepsilon_{jhit} \tag{3}$$

where R is an index of the level of demand for regulation of individual j, residing in host country h, with ancestry i, who participated in the t ESS round. Four different measures of demand for regulation are employed, i.e. demand for banning non-democratic parties, participation in demonstrations, signing petitions and the level of interest in local politics. As an exogenous proxy for individual trust the analysis employs the measure of the quality of institutions at the home country, C_i The remaining of the analysis is as described in equation (2).

The empirical analysis establishes that lower quality of institutions in the home country is correlated with lower demand for regulation in the host country. This effect is partly triggered by the high trust in local institutions. Estimating the structural equation confirms that one of the channels linking lower demand for regulation is the "inflated" trust in institutions.[10]

In all the three estimated models the identifying assumption for α_1 is that there are no omitted factors that are correlated with the average institutional quality in the origin country that affect the individual's preference for redistribution in the country of residence. To the extend that trust attitudes are affected by factors present at the host country they will be captured by the host country fixed effects. Anything at the origin country that has a persistent effect on trust attitudes is falling under the broad category of culture (Fernández and Fogli, 2009; Luttmer and Singhal, 2011).

[10]Table **??** runs a horserace regression between quality of institutions at the origin country and trust in institutions.

Selection In all the studies that explore the transmission of cultural traits the issue of selective migration based either on preferences or on economic incentives is crucial. As far as preference based migration is concerned according to the argument advanced by Luttmer and Singhal (2011), the fact that migrants from many different countries move to a number of European countries, makes it less likely that selection is a major concern.

As to selective migration based on economic incentives, it cannot certainly be precluded and therefore the robustness section extends the analysis to the sample of second generation migrants. Reassuringly the results on second generation migrants confirm the findings of the baseline analysis. Interestingly though in the context of the current study if indeed selection occurs based on the choice of a healthy institutional environment, the results are particularly interesting because they highlight a potential dimension along which selection takes place.

4 Empirical Findings

The empirical section is structured in three parts. The first part establishes the persistent effect of institutions over culture. The analysis suggests that lower quality of institutions at the origin country is associated with higher trust in institutions at the host country. The inflated trust of migrants is referred to as the *Great Expectations* effect. The second part explores whether preferences in the origin country are affecting attitudes in the host country and conducts a horserace analysis between preferences and institutions in the origin country. The results confirm that indeed it is the institutional quality that survives the horserace analysis. Finally the third part explores the policy implications of the *Great Expectations* effect. Overall, higher trust of migrants, driven by the bad institutional quality at the home country, is associated with lower demand for regulation and lower political participation of migrants in the host country.

4.1 Stage 1: The Persistent Effect of Institutions on Culture

Table 1 establishes that lower institutional quality in the origin country, measured by the average level of corruption, has a positive and significant effect on individual trust in institutions in the host country. In particular, four measures of individual trust in institutions are employed. Column (1) explores the effect of institutions in individual trust in parliament, Column (2) for trust in the legal system, Column (3) for trust in politicians and Column (4) for trust in the police. The analysis controls for a number of individual controls such as age, age square, gender, educational level and employment status. All specifications include a set of ESS round and of host country fixed effects. The former account for time shocks and trends that are common to all European countries during the collection of the data for each round, e.g. changes in policy. The latter capture all time invariant factors that can affect individual

attitudes, which are related to pre-existing conditions and factors such as local institutions and culture, geography, climate, etc.

The coefficient on the quality of institutions is positive and highly significant across all specifications. This implies that an increase in corruption in the origin country is associated with an increase in the level of individual trust in local institutions, an effect that is referred to as the *Great Expectations* effect.

[TABLE 1 HERE]

Table 2 replicates the same results only for the sample of ESS countries. The replication of these results will be useful for the next section where the horserace between preferences and institutional quality at the home country will be conducted for the ESS sample.[11] Reassuringly the results are as significant, confirming the strong positive effect of institutions on individual trust. Moreover, despite the reduction in the sample, the coefficients are stronger suggesting that the *Great Expectations* effect becomes stronger when the sample is restricted to developed countries, where migration has taken place primarily towards more developed countries.

Correlating native trust in institutions with the quality of local institutions yields a negative correlation for the sample of ESS countries. Table B.1 in the Appendix reports the regression coefficients for trust of natives regressed on home institutions and the correlation is positive and highly significant, suggesting that lower quality of home institutions is associated with lower native trust.

[TABLE 2 HERE]

4.2 Stage 2: Horserace Regressions between Institutional Quality and Mean Preferences at the Origin Country

A critical aspect of the analysis is to explore whether culture operates via institutions or via preferences at the country of origin.[12] Columns (1), (3), (5) and (7) of Table 3 record the estimates of the mean preference at the country of origin that capture the impact on trust of migrants in parliament, the legal system, politicians and in police respectively, while controlling for the full set of controls and ESS round and host country fixed effects. Interestingly the mean preference at the origin country have no effect in individual trust of migrants for the case of trust in parliament and the police. As far as trust in the legal system and the politicians is concerned, the coefficient is highly significant and positive in line with the suggested literature

[11] In order to calculate the average level of trust for each of the four variables, the native sample of ESS is employed. This implies that the maximum number of countries for which the estimation of the average effect is feasible is thirty.

[12] This approach has been adopted by Luttmer and Singhal (2011) who have established that preferences for redistribution at the home country are a significant determinant of preferences for redistribution of migrants.

that reports inertia in preferences (Luttmer and Singhal, 2011; Litina et al., 2014). However, once introducing into the analysis the control for the quality of institutions at the home country (Columns (2), (4), (6) and (8)) the significance of the coefficients on preferences drops in all four cases whereas the estimates for the institutional quality are significant and positive suggesting the dominance of institutional quality over average preferences.

The point estimates of the coefficients are quite similar to those of Table 2.

[TABLE 3 HERE]

4.3 The Effect on Demand Regulation and Political Involvement

In the presence of large scale migration it is crucial to underline the policy implications of the *Great Expectations* effect. In line with Aghion et al. (2010), who suggested that more trust is associated with less demand for regulation, it is explored whether the inflated trust of migrants is affecting their demand for regulation in the host country as well as their political involvement. Four policy measures are considered: i) the view of individuals on whether political parties that wish to overthrow democracy should be banned; ii) whether individuals have actually participated in a demonstration during the last 12 months; iii) whether individuals have signed a petition during the last 12 months; and iv) describing how interested they are in politics. Higher values in all four cases imply less demand for regulation. This result suggests that institutions and culture coevolve simultaneously. It can be claimed that this process takes place rather slowly given the limited intervention that migrants can make in the host countries, nevertheless the interaction of a variety of cultural traits ultimately affects the evolution of institutions.

Columns (1)-(4) of Table 4 explore the reduced form equation on the effect of corruption at the origin country in each of these of these policy outcomes correspondingly, while controlling for the full set of controls, i.e. age, age square, gender, education, employment status, ESS round and host country fixed effects. The analysis is conducted for the full sample of 167 countries of origin of migrants. Reassuringly, the coefficients in all four columns are positive and highly significant suggesting that higher corruption at the origin country makes individuals less active and less interested in politics and in demand for regulation in the host country.

[TABLE 4 HERE]

The structural model suggests that corruption at the origin country affects demand for regulation at the host country via its effect on the trust of migrants. To explore this channel, Columns (1)-(4) of Table 5 augment the analysis of Table 4 by all four measures of trust (trust in parliament, the legal system, polity and the police). In all fours cases the coefficients on corruption reduce somewhat in magnitude and in significance (Columns (2) and

(4)) suggesting that the effect on demand for regulation partly operates via trust. Moreover all coefficients on trust are positive and significant, in line with the analysis of Aghion et al. (2010), suggesting that more trust is associated with less demand for regulation. The only measure of trust that is not significant in most specifications is trust in the police.

[TABLE 5 HERE]

5 Discussion

This section discusses several issues that allow for a better understanding of the *Great Expectations* effect. First, to highlight the contradiction with the standard measure on interpersonal trust, the first two stages of the analysis are replicated for the measure of trust. The results suggest that there is no evidence of the *Great Expectations* effect when interpersonal trust is considered. Second the analysis explores the source of the *Great Expectations* effect, i.e. whether it is driven by migrants moving to high quality of institutions countries or vice versa. The findings suggest that no prticular group drives the results. Last, the analysis employs some additional measures that capture more short run attitudes of migrants (satisfaction about several institutions) as well as some more practical aspects of a country's life that are directly relevant for the migrants, such as satisfaction with education and health.

5.1 Trust in Institutions vs. Interpersonal Trust

To highlight the fact that the great expectations effect occurs only for trust in institutions, the results are compared with the results for interpersonal trust. The related literature has documented that trust at the home country is positively correlated with trust at the host country thereby confirming the inertia of trust attitudes (Algan and Cahuc, 2010). Moreover, Table 6 establishes that higher corruption at the home country is associated with lower trust in the host country, while exploring the full set of migrants coming from 167 country. Column (1) establishes this result for the total sample of migrants, whereas Columns (2) and (3) explore the results for the samples of first and second generation migrants respectively. All three columns controls for the full set of baseline controls (i.e. age, gender, education and employment status) as well ESS round and host country fixed effects. The coefficients on corruption are negative and significant, in contrast to the results about trust in institutions. Therefore migrants, once they move to a new country they form *Great Expectations* about the host country institutions but not about the people in the host country.

[TABLE 6 HERE]

Table 7 restricts the analysis to the sample of migrants coming from 29 countries (European migrants moving to European countries) in order to explore the role of preferences. Column (1) reports the effect of mean trust at the origin country on the interpersonal trust of migrants. The coefficient is positive and highly significant confirming the persistent effect of preference at the home country on migrants attitudes (Luttmer and Singhal, 2011; Litina et al., 2014). Column (2) reports the results of regressing interpersonal trust in the mean level of corruption at the home country. In line with the analysis in Table 6, more trust in the home country is associated with lower trust in the host country even for the sample of European countries only. Column (3) runs the horserace between the two, indicating that both home institutions and home preferences have a significant effect on interpersonal trust. All three columns controls for the full set of controls of the baseline analysis.

[TABLE 7 HERE]

5.2 Source of the *Great Expectations* Effect: Migrants Coming from Countries with Better or Worse Institutions?

This section explores the source of the "great expectations effect" i.e. whether it originates from migrants that move from low quality of institutions countries towards countries with high institutional quality or vice versa? Taking as the explanatory variable differences in institutional quality cannot provide an answer as the variation of the institutional quality of the host country would be absorbed by the host country fixed effect. To address this concern the analysis constructs a dummy variable that takes the value of 0 if corruption in the host country is lower than corruption in the origin country and the value of one if the opposite holds. Then the variable on corruption in the origin country is interacted with this dummy.

Table 8 replicates the results of the baseline analysis after including this interactive term and the newly created dummy. Whereas the coefficient on corruption at the origin country retains its significance, the coefficient on the interaction term is not statistically significant thereby suggesting that the result is not driven by any of the two groups particularly. The results have also been replicated by assuming a different structure of the model, i.e. by interacting all baseline controls with the dummy variable and yet the findings are quite similar suggesting that both groups contribute to the presence of a *Great Expectations* effect (results not reported).

[TABLE8 HERE]

5.3 Satisfaction of Migrants

This section employs four new measures that reflect how satisfied are migrants with the economy, democracy, education and health. The value added of this approach lies in two things. First, the measure of satisfaction is not the direct equivalent of the measure of trust. Whereas both measures are explicitly asked for the country where the migrant resides in, nevertheless the measure on trust is more broadly expressed, i.e. the question is formulated as "please tell me on a score of 0-10 how much you personally trust each of the institutions I read out. 0 means you do not trust an institution at all, and 10 means you have complete trust. Firstly [country]'s politicians". The emphasis is placed on personal trust in the institutions of the country but it is explicitly expressed in a way to capture the overall feeling. On the contrary the measure about satisfaction is aimed to capture current satisfaction of the migrant. In particular the question is expressed as e.g. "How satisfied with the state of health services in the country nowadays".

Besides the "short run satisfaction" and "long run trust" distinction, a second element is that the questions about satisfaction capture the satisfaction of migrants not only towards institutions with which they do not directly interact, such as the (broader notion of) the economy and democracy, but also with institutions which they are directly faced with such as education and health.

Columns (1) and (2) in Table 9 explore the effect of home institutions on migrant satisfaction with the economy and the democracy, while controlling for all the baseline controls. Despite the short run and long run distinction, nevertheless the coefficients are highly significant and positive confirming even with use of alternative measures the presence of the *Great Expectations* effect.

[TABLE 9 HERE]

On the contrary, the findings in Columns (3) and (4) where the outcome variables are satisfaction of migrants with respect to the educational and the health system of the country, do not report any significance of the coefficients. A plausible interpretation for this finding is that migrants from poor countries rarely have full and equal access to these services. For instance if many migrants are working without insurance or when children from large minorities cannot exercise their language, this implies that despite the (most likely) better quality than that at their birth place, yet they may not have access to the full range of services and this is reflected in their dissatisfaction.

6 Robustness

The robustness section establishes the robustness of the main results to a number of alternative specifications and assumptions such as additional individual and country of origin controls, to the use of alternative measures of institutional quality, the validity of the results for the first and second generation migrants, as well as the robustness of the estimation.

6.1 First and Second Generation Migrants

Tables 10 and 11 report the results of the baseline analysis for first and second generation migrants separately. This approach allows to trace the cultural transmission mechanism and to suppress selection concerns. As in the baseline analysis, the country of origin is that of the individual for first generation migrants and that of their father for second generation migrants.

As expected the results for the first generation migrants (Table 10) are quite similar to those in the baseline analysis. All four coefficients are positive and highly significant confirming and establishing the strength of the *Great Expectations* effect which is particularly pronounced for the first generation migrants.

[TABLE 10 HERE]

The results of Table 11 surprisingly confirm the presence of the *Great Expectations* effect even for second generation migrants despite the fact that choosing this particular sample addresses more effectively the issue of selection. Nevertheless, the effect of home institutions is so persistent that is even transmitted to second generation migrants. They only variable for which this effect is not transmitted till the second generation is the case of police, reflecting that interaction with the police is more direct and specific than e.g. the legal system.

[TABLE 11 HERE]

Overall the findings of this section are quite important since they establish that even in the absence of selection issues and of direct shocks to the behavior of migrant (such as language barriers) that are inherent to the first generation migrants, the home institutions still have a persistent effect on the culture of second generation migration and therefore on the evolution of local institutions.

6.2 Alternative Measures of Institutional Quality and Periods

This section establishes the robustness of the baseline analysis to the use of two alternative measures of institutional quality, e.g. the WGI measure on control of corruption and the ICRG measure of corruption. Moreover the two measures are employed for different periods as well,

i.e. the WGI measure on control of corruption is the mean value for the period 1996-2000 while the ICRG measure of corruption is the mean value of the period 1986-2000.

[TABLE 12 HERE]

These alternative measures are quite critical since they address a concern that is inherent in the estimation of the perceived corruption level. The Corruption Perception Index (CPI) is constructed using 13 different polls each year and aggregating them accordingly. However, these polls are based solely upon perception and are subject to sharp movements in the presence of important events, e.g. a scandal. This concern is already addressed by taking the average of four years, an approach that smooths out the effect of temporary shocks. However this effect is further mitigated by using alternative measure, such as the WGI or the ICRG index which adopts a different collection method. Moreover the periods of aggregation are different for each maser in an attempt to ensure that what matters is not the specific years chosen, but instead the inertia in these phenomena of corruption that have formulated the perception of people. Moreover, in line with the Fernández and Fogli (2009) argument, to the extend that culture is slowly evolving, one should be able to find a significant effect of home conditions on cultural attitudes of migrants even if home conditions are measured at later period. Similarly for the institutional quality measures, whereas they reflect perceptions and are thus vulnerable to shocks, nevertheless it is plausible to argue that Greece would systematically score higher corruption than Sweden.

[TABLE 13 HERE]

Reassuringly, as Tables 12 and 13 confirm, the results are robust to the use of all alternative measure and periods of time.[13] The first four columns of each table report the results for trust in institutions, whereas the last column reports the results for interpersonal trust. The sign of the coefficients is in line with the findings in the baseline analysis, i.e. positive for the measures of trust in institutions, thereby confirming the *Great Expectations* effect, and negative for the measure of interpersonal trust. The magnitude is somewhat larger, yet it is the same order of magnitude as the CPI measure.

6.3 Paternal and Spouse Controls

This section establishes the robustness of the baseline analysis to the use of additional parental and spouse controls such as paternal, maternal and spousal education. Whereas it is argued that the transmission mechanism operates primarily via the effect of parents on the forma-

[13] Similar results are obtained if the period extends till 2010, as well as using additional measures of institutional quality. The results are not reported.

tion of their offsprings culture, yet it is important to net out any potential effects of their educational level that could have affected their assimilation process and via this the cultural transmission of trust traits. Similarly, the educational level of the spouse could as well have a pronounced effect in the assimilation process and the transmission of cultural traits to the offsprings.

[TABLE 14 HERE]

Table 14 addresses these concerns by including controls for parental and spousal educational level. The findings confirm that country of origin institutions have a persistent effect on culture after netting out parental and spousal influence. Interestingly enough the only control that confers a statistically significant effect on individual trust is the educational level of the mother which is positively correlated with the trust level of the individual, a finding that contradicts the finding on the effect of individuals education, which is negative and implies that higher education is associated with lower trust in institutions reflecting the awareness that comes through education.

6.4 More Individual Controls and Assimilation Process

This section introduces an array of individual controls that are important in explaining individual attitudes for two reason. First because they better reflect the socioeconomic status of the individual (e.g. controls about income and religiosity) and second because they capture the assimilation speed of the individual (e.g. controls about the citizenship of the individual, whether (s)he voted in the last election, whether the individual is a member of a discriminated group or not). These controls are not employed in the baseline specification since they are available only for a smaller subsample of individuals.

[TABLE 15 HERE]

Table 15 introduces all these controls, for all four trust variables. The coefficients are in all four cases highly significant despite the larger number of controls and the significant reduced sample, thereby confirming the presence of the *Great Expectations* effect even after fully accounting for the socioeconomic status of the migrant and the extend to which (s)he has assimilated.

6.5 Mothers Country of Origin

A stand of the literature has argued that the transmission mechanism is stronger via the influence of mothers. To explore this idea, the analysis makes the assumption that the country of origin is that of the mother instead of that of the father for the case of second generation

migrants. The results remain largely unaffected. The results are also robust to restricting the sample to only this set of migrant whose fathers and mothers are both migrants and come from the same country of origin. While the sample is somewhat smaller, the results are unaffected as well (results not reported).

[TABLE 16 HERE]

6.6 More Controls from the Origin Country

Whereas in the discussion part of the paper it has been extensively explored whether the *Great Expectations* effect comes from migrant from poorer or richer countries, nevertheless this section further addresses this issue by controlling for income per capita at the home country. While the coefficients reduce somewhat in magnitude and in significance for the case of the parliament and the police, yet the findings still strongly confirm the presence of the effect.

[TABLE 17 HERE

7 Conclusion

This research establishes the persistent effect of institutions over culture exploiting the natural experiment of migration. It advances and empirically establishes the hypothesis that lower institutional quality at the origin country of a migrant is associated with higher trust towards host country institutions. The "inflated" trust of migrants is documented as the *Great Expectations* effect and is interesting for three different reasons. First it contradicts with the empirically observed attitude of migrants with respect to interpersonal trust, where low quality of institutions is associated with lower interpersonal trust in both the host and the home country. Second, the "inflated" trust persists for both first and second generation migrants, despite the fact that the former are not fully assimilated and thus partially excluded from these institutions and the latter have no direct interaction with the origin institutions. Third, the effect of home institutions is stronger than the effect of mean trust at home confirming that it is institutions that prevail over culture and not culture as represented by the average attitude at the origin country.

The formation of *Great Expectations* has profound policy implications. The analysis has established that higher corruption at the origin country is associated with less demand for regulation and less active participation in domestic politics. Moreover it establishes that this effect partly operates via the increased trust triggered by the low quality of institutions as it generates lower demand for regulation and reduced political participation. These findings

further highlight the interplay between culture and institutions and the spillover effects of institutions operating via migration.

References

Acemoglu, D., Johnson, S. and Robinson, J. A. (2001). The Colonial Origins of Comparative Development: An Empirical Investigation, *American Economic Review* **91**(5): 1369–1401.

Acemoglu, D., Johnson, S. and Robinson, J. A. (2005). Institutions as a Fundamental Cause of Long-Run Growth, *in* P. Aghion and S. N. Guif (eds), *Handbook of Economic Growth, Vol. IA*, Elsevier North-Holland, Amsterdam, The Netherlands, pp. 385–472.

Adman, P. and Stromblad, P. (2013). Political Trust as Modest Expectations.

Aghion, P., Algan, Y. and Cahuc, P. (2010). Regulation and Distrust, *The Quarterly Journal of Economics* **125**(3): 1015–1049.

Alesina, A., Algan, Y., Cahuc, P. and Giuliano, P. (2010). Family Values and the Regulation of Labor. NBER Working Paper No. 15747.

Alesina, A. and Fuchs-Schundeln, N. (2007). Goodbye Lenin (or Not?): The Effect of Communism on People, *American Economic Review* **97**(4): 1507–1528.

Alesina, A. and Giuliano, P. (2010). The Power of the Family, *Journal of Economic Growth* **15**(2): 93–125.

Algan, Y. and Cahuc, P. (2010). Inherited Trust and Growth, *American Economic Review* **100**(5): 2060–2092.

Andersen, T. B., Bentzen, J., Dalgaard, C.-J. and Sharp, P. (2011). Religious Orders and Growth through Cultural Change in Pre-Industrial England. University of Copenhagen Discussion Paper No. 11-07.

Anderson, C. J. and Tverdova, Y. V. (2003). Corruption, Political Allegiances, and Attitudes toward Government in Contemporary Democracies, *American Journal of Political Science* **47**(1): pp. 91–109.

Ashraf, Q. and Galor, O. (2011b). Cultural Assimilation, Cultural Diffusion, and the Origin of the Wealth of Nations. NBER Working Paper No. 17640.

Ashraf, Q. and Galor, O. (2013). The 'Out of Africa'Hypothesis, Human Genetic Diversity, and Comparative Economic Development, *American Economic Review* **103**(1): 1–46.

Becker, S., Boeckh, K., Hainz, C. and Woessmann, L. (2011). The Empire is Dead, Long Live the Empire!

Carpantier, J.-F. and Litina, A. (2014). Religiosity and Growth Revisited: Estimating a Causal Effect. Working Paper.

Doepke, M. and Zilibotti, F. (2013). Culture, entrepreneurship, and growth, *Technical report*, National Bureau of Economic Research.

Fernández, R. and Fogli, A. (2009). Culture: An Empirical Investigation of Beliefs, Work, and Fertility, *American Economic Journal: Macroeconomics* **1**(1): 146–177.

Galor, O. (2011). *Unified Growth Theory*, Princeton University Press, Princeton, NJ.

Giuliano, P. (2007). Living Arrangements in Western Europe: Does Cultural Origin Matter?, *Journal of the European Economic Association* **5**(5): 927–952.

Giuliano, P. and Spilimbergo, A. (2009). Growing up in a Recession: Beliefs and the Macroeconomy, *National Bureau of Economic Research* .

Guiso, L., Sapienza, P. and Zingales, L. (2004). The Role of Social Capital in Financial Development, *American Economic Review* **94**(3): 526–556.

Guiso, L., Sapienza, P. and Zingales, L. (2006). Does Culture Affect Economic Outcomes?, *Journal of Economic Perspectives* **20**(2): 23–48.

Knack, S. and Keefer, P. (1997). Does Social Capital Have an Economic Payoff? A Cross-Country Investigation, *Quarterly Journal of Economics* **112**(4): 1251–1288.

Litina, A., Moriconi, S. and Zanaj, S. (2014). The Cultural Transmission of Environmental Preferences: Evidence from International Migration, *Working Paper* .

Luttmer, E. F. P. and Singhal, M. (2011). Culture, Context, and the Taste for Redistribution, *American Economic Journal: Economic Policy* **3**(1): 157–79.

Maxwell, R. (2010). Evaluating Migrant Integration: Political Attitudes Across Generations in Europe, *International Migration Review* **44**(1): 25–52.

Michalopoulos, S. and Papaioannou, E. (2013). Pre-colonial ethnic institutions and contemporary african development, *Econometrica* **81**(1): 113–152.

Michalopoulos, S. and Papaioannou, E. (2014). National institutions and subnational development in africa, *Quarterly Journal of Economics* **129**(1): 151–213.

Michelson, M. R. (2003). The Corrosive Effect of Acculturation: How Mexican Americans Lose Political Trust, *Social Science Quarterly* **84**(4): 918–933.

Nunn, N. and Wantchekon, L. (2011). The Slave Trade and the Origins of Mistrust in Africa, *American Economic Review* **101**(7): 3221–52.

Pinotti, P. (2012). Trust, Regulation and Market Failures, *Review of Economics and Statistics* **94**(3): 650–658.

Roder, A. and Mohlau, P. (2011). Discrimination, Exclusion and Immigrants' Confidence in Public Institutions in Europe, *European Societies* **13**(4): 535–557.

Roder, A. and Muhlau, P. (2012). Low Expectations or Different Evaluations: What Explains Immigrants' High Levels of Trust in Host-Country Institutions?, *Journal of Ethnic and Migration Studies* **38**(5): 777–792.

Sangnier, M. (2013). Does Trust Favor Macroeconomic Stability?, *Journal of Comparative Economics* **41**(3): 653–668.

Shiller, R. J., Boycko, M., Korobov, V., Winter, S. G. and Schelling, T. (1992). Hunting for Homo Sovieticus: Situational Versus Attitudinal Factors in Economic Behavior, *Brookings Papers on Economic Activity* **1992**(1): 127–194.

Wenzel, J. P. (2006). Acculturation Effects on Trust in National and Local Government Among Mexican Americans, *Social Science Quarterly* **87**(5): 1073–1087.

Tables

TABLE 1: Great Expectations: The Effect of Corruption at the Origin Country on Trust in Institutions at the Host Country

	(1)	(2)	(3)
		Trust in	
	Parliament	Legal System	Politicians
Corruption (Origin Country)	0.083***	0.049***	0.070***
	(0.011)	(0.015)	(0.011)
Age	0.004**	0.000	0.006***
	(0.002)	(0.001)	(0.002)
Age Square	-0.000**	-0.000	-0.000***
	(0.000)	(0.000)	(0.000)
Women	-0.129***	-0.050	0.008
	(0.040)	(0.037)	(0.031)
Education (Lower Secondary)	0.013	0.055	-0.018
	(0.079)	(0.072)	(0.073)
Education (Upper Secondary)	-0.021	-0.084	-0.185***
	(0.070)	(0.054)	(0.065)
Lower Tertiary	0.079	0.038	-0.151
	(0.144)	(0.156)	(0.123)
Higher Tertiary	0.378***	0.307***	0.003
	(0.072)	(0.088)	(0.079)
Unemployment	-0.364***	-0.380***	-0.263***
	(0.080)	(0.075)	(0.083)
ESS Round FE	Yes	Yes	Yes
Host Country FE	Yes	Yes	Yes
No. of Origin Countries	169	169	169
No. of Host Countries	30	30	30
Obs.	20776	20776	20499
R-sq.	0.155	0.157	0.141

Summary: This table establishes the presence of the *Great Expectations* effect, for the sample of all migrants. Analytically, the trust of migrants in: i) the parliament, ii) the legal system, iii) the politicians, and iv) the police, is positively correlated with the level of corruption at the home country. The analysis controls for individual characteristics such as age, age square, gender, educational level and employment status as well as for ESS round and host country fixed effects. Notes: (i) Corruption is measured by the Corruption Perception Index. The index takes values from 0-10 with 10 indicating the most corrupt country; (ii) "Trust in Parliament" takes values from 0-10 with 0 denoting "no trust at all", and 10 denoting "complete trust"; (iii) "Trust in the Legal System" takes values from 0-10 with 0 denoting "no trust at all", and 10 denoting "complete trust"; (iv) "Trust in Politicians" takes values from 0-10 with 0 denoting "no trust at all", and 10 denoting "complete trust"; (v) "Trust in the Police" takes values from 0-10 with 0 denoting "no trust at all", and 10 denoting "complete trust"; (vi) robust standard error estimates, clustered at the dimension of the country of origin, are reported in parentheses; (vii) *** denotes statistical significance at the 1 percent level, ** at the 5 percent level, and * at the 10 percent level, all for two-sided hypothesis tests.

TABLE 2: Great Expectations: The Effect of Corruption at the Origin Country on Trust in Institutions at the Host Country

	(1)	(2)	(3)
		Trust in	
	Parliament	Legal System	Politicians
Corruption (Origin Country)	0.045***	0.008	0.036**
	(0.012)	(0.015)	(0.013)
Age	0.004**	-0.002	0.007***
	(0.002)	(0.002)	(0.002)
Age Square	-0.000**	0.000	-0.000***
	(0.000)	(0.000)	(0.000)
Women	-0.097*	-0.047	0.027
	(0.056)	(0.040)	(0.033)
Education (Lower Secondary)	-0.016	-0.053	-0.075
	(0.092)	(0.087)	(0.082)
Education (Upper Secondary)	0.017	-0.073	-0.151*
	(0.078)	(0.077)	(0.082)
Lower Tertiary	0.047	-0.097	-0.143
	(0.182)	(0.171)	(0.163)
Higher Tertiary	0.427***	0.301**	0.052
	(0.086)	(0.109)	(0.115)
Unemployment	-0.360***	-0.499***	-0.246**
	(0.111)	(0.080)	(0.109)
ESS Round FE	Yes	Yes	Yes
Host Country FE	Yes	Yes	Yes
No. of Origin Countries	29	29	29
No. of Host Countries	30	30	30
Obs.	12287	12287	12121
R-sq.	0.166	0.188	0.147

Summary: This table establishes the presence of the *Great Expectations* effect, for the sample of all migrants. Analytically, the trust of migrants in: i) the parliament, ii) the legal system, iii) the politicians, and iv) the police, is positively correlated with the level of corruption at the home country. The analysis controls for individual characteristics such as age, age square, gender, educational level and employment status as well as for ESS round and host country fixed effects. Notes: (i) Corruption is measured by the Corruption Perception Index. The index takes values from 0-10 with 10 indicating the most corrupt country; (ii) "Trust in Parliament" takes values from 0-10 with 0 denoting "no trust at all", and 10 denoting "complete trust"; (iii) "Trust in the Legal System" takes values from 0-10 with 0 denoting "no trust at all", and 10 denoting "complete trust"; (iv) "Trust in Politicians" takes values from 0-10 with 0 denoting "no trust at all", and 10 denoting "complete trust"; (v) "Trust in the Police" takes values from 0-10 with 0 denoting "no trust at all", and 10 denoting "complete trust"; (vi) robust standard error estimates, clustered at the dimension of the country of origin, are reported in parentheses; (vii) *** denotes statistical significance at the 1 percent level, ** at the 5 percent level, and * at the 10 percent level, all for two-sided hypothesis tests.

TABLE 3: Great Expectations: The Persistent Effect of Institutions or of the Preferences? Horcerace Regressions

	(1)	(2)	(3)	(4)	(5)	(6)
					Trust in	
	Parliament		Legal System			Politicians
Mean Preference (Origin)	0.002	-0.019	0.024	0.024	0.029*	0.011
	(0.024)	(0.022)	(0.040)	(0.043)	(0.015)	(0.019)
Corruption (Origin)		0.049***		0.000		0.032**
		(0.015)		(0.013)		(0.015)
ESS Round FE	Yes	Yes	Yes	Yes	Yes	Yes
Host Country FE	Yes	Yes	Yes	Yes	Yes	Yes
Controls	Yes	Yes	Yes	Yes	Yes	Yes
No. of Origin Countries	29	29	29	29	29	29
No. of Host Countries	30	30	30	30	30	30
Obs.	12287	12287	12287	12287	12121	12121
R-sq.	0.165	0.166	0.188	0.188	0.146	0.147

Summary: This table establishes that the effect of institutions at the origin country is stronger than the effect of mean preferences at the origin country. The analysis conducts horserace regressions while controlling for individual characteristics such as age, age square, gender, educational level and employment status as well as for ESS round and host country fixed effects. Notes: (i) Corruption is measured by the Corruption Perception Index. The index takes values from 0-10 with 10 indicating the most corrupt country; (ii) "Trust in Parliament" takes values from 0-10 with 0 denoting "no trust at all", and 10 denoting "complete trust"; (iii) "Trust in the Legal System" takes values from 0-10 with 0 denoting "no trust at all", and 10 denoting "complete trust"; (iv) "Trust in Politicians" takes values from 0-10 with 0 denoting "no trust at all", and 10 denoting "complete trust"; (v) "Trust in the Police" takes values from 0-10 with 0 denoting "no trust at all", and 10 denoting "complete trust"; (vi) the mean preferences of the origin country are estimated by taking the weighted averaging of the native preferences; (vii) robust standard error estimates, clustered at the dimension of the country of origin, are reported in parentheses; (viii) *** denotes statistical significance at the 1 percent level, ** at the 5 percent level, and * at the 10 percent level, all for two-sided hypothesis tests.

TABLE 4: Policy Considertations: The Effect of Corruption in the Origin Country on Regulation in the Host Country

	(1)	(2)	(3)	(4)
	Ban Parties	Participate in Demonstration	Signed Petition	How Interested in Politics
Corruption (Origin Country)	0.035***	0.005**	0.016***	0.016**
	(0.008)	(0.002)	(0.003)	(0.007)
Age	-0.021***	0.002	-0.003**	-0.012***
	(0.004)	(0.001)	(0.001)	(0.002)
Age Square	0.000***	-0.000	0.000**	0.000***
	(0.000)	(0.000)	(0.000)	(0.000)
Women	0.188***	0.015**	-0.001	0.270***
	(0.025)	(0.007)	(0.007)	(0.012)
Education	-0.143***	-0.015***	-0.040***	-0.178***
	(0.012)	(0.003)	(0.005)	(0.012)
Employment	-0.001	-0.017*	0.024	0.046
	(0.042)	(0.010)	(0.018)	(0.029)
ESS Round FE	Yes	Yes	Yes	Yes
Host Country FE	Yes	Yes	Yes	Yes
No. of Origin Countries	167	167	167	167
No. of Host Countries	30	30	30	30
Obs.	22311	22311	22311	22311
R-sq.	0.066	0.015	0.044	0.125

Summary: This table establishes that higher corruption in the origin country is associated with lower demand from regulation in the host country. The analysis controls for individual characteristics such as age, age square, gender, educational level and employment status as well as for ESS round and host country fixed effects. Notes: (i) Corruption is measured by the Corruption Perception Index. The index takes values from 0-10 with 10 indicating the most corrupt country; (ii) "Ban Parties" corresponds to the question "Using this card, please say to what extent you agree or disagree with each of the following statements: Political parties that wish to overthrow democracy should be banned". The variable takes values from 1 to 5 with 1 denoting "Agree Strongly" and 5 denoting "Disagree Strongly"; (iii) "Participate in Demonstration" corresponds to the question "During the last 12 months, have you done any of the following? Firstly ...Taken part in a lawful public demonstration". The variable is binary with 1 denoting "Yes" and 2 denoting "No"; (iv) "Signed Petition" corresponds to the question "During the last 12 months, have you done any of the following? Firstly...Signed a petition". The variable is binary with 1 denoting "Yes" and 2 denoting "No"; (v) "Interested in Politics" corresponds to the question "How interested would you say you are in politics" with 1 denoting "Very Interested" and 4 denoting "Hardly Interested"; (vi) robust standard error estimates, clustered at the dimension of the country of origin, are reported in parentheses; (vii) *** denotes statistical significance at the 1 percent level, ** at the 5 percent level, and * at the 10 percent level, all for two-sided hypothesis tests.

TABLE 5: Policy Considertations: Horserace between Corruption in the Host Country and Trust in Insitutions

	(1)	(2)	(3)	(4)
	Ban Parties	Participate in Demonstration	Signed Petition	How Interested in Politics
Corruption (Origin Country)	0.024***	0.004*	0.015***	0.012*
	(0.008)	(0.002)	(0.003)	(0.007)
Trust in Parliament	0.007***	0.000**	0.001**	0.004***
	(0.001)	(0.000)	(0.000)	(0.000)
Trust in the Legal System	0.004***	0.000	0.001*	0.001***
	(0.001)	(0.000)	(0.000)	(0.000)
Trust in Polity	0.010***	0.001***	0.001***	0.003***
	(0.001)	(0.000)	(0.000)	(0.000)
Trust in the Police	0.002	0.002*	0.001	0.001
	(0.002)	(0.001)	(0.001)	(0.001)
ESS Round FE	Yes	Yes	Yes	Yes
Host Country FE	Yes	Yes	Yes	Yes
No. of Origin Countries	167	167	167	167
No. of Host Countries	30	30	30	30
Obs.	22311	22311	22311	22311
R-sq.	0.092	0.019	0.049	0.142

Summary: This table establishes that one of the channels via which corruption in the origin country is affecting demand for regulation in the host country, is via affecting the trust of migrants to the institutions. To establish that the table shows the horcerace between corruption in the origin country and all four measures of trust. The analysis controls for individual characteristics such as age, age square, gender, educational level and employment status as well as for ESS round and host country fixed effects. Notes: (i) Corruption is measured by the Corruption Perception Index. The index takes values from 0-10 with 10 indicating the most corrupt country; (ii) "Ban Parties" corresponds to the question "Using this card, please say to what extent you agree or disagree with each of the following statements: Political parties that wish to overthrow democracy should be banned". The variable takes values from 1 to 5 with 1 denoting "Agree Strongly" and 5 denoting "Disagree Strongly"; (iii) "Participate in Demonstration" corresponds to the question "During the last 12 months, have you done any of the following? Firstly ...Taken part in a lawful public demonstration". The variable is binary with 1 denoting "Yes" and 2 denoting "No"; (iv) "Signed Petition" corresponds to the question "During the last 12 months, have you done any of the following? Firstly...Signed a petition". The variable is binary with 1 denoting "Yes" and 2 denoting "No"; (v) "Interested in Politics" corresponds to the question "How interested would you say you are in politics" with 1 denoting "Very Interested" and 4 denoting "Hardly Interested"; (vi) "Trust in Parliament" takes values from 0-10 with 0 denoting "no trust at all", and 10 denoting "complete trust"; (vii) "Trust in the Legal System" takes values from 0-10 with 0 denoting "no trust at all", and 10 denoting "complete trust"; (viii) "Trust in Politicians" takes values from 0-10 with 0 denoting "no trust at all", and 10 denoting "complete trust"; (ix) "Trust in the Police" takes values from 0-10 with 0 denoting "no trust at all", and 10 denoting "complete trust"; (x) robust standard error estimates, clustered at the dimension of the country of origin, are reported in parentheses; (xi) *** denotes statistical significance at the 1 percent level, ** at the 5 percent level, and * at the 10 percent level, all for two-sided hypothesis tests.

TABLE 6: Interpersonal Trust

	(1)	(2)	(3)
		Interpersonal Trust	
	All Migrants	First Generation	Second Generation
Corruption (Origin Country)	-0.062***		
	(0.012)		
Age	0.000		
	(0.001)		
Age Square	-0.000		
	(0.000)		
Women	-0.065		
	(0.048)		
Education (Lower Secondary)	0.201***		
	(0.073)		
Education (Upper Secondary)	0.309***		
	(0.081)		
Lower Tertiary	0.536***		
	(0.107)		
Higher Tertiary	0.892***		
	(0.087)		
Employment	-0.334***		
	(0.078)		
ESS Round FE	Yes	Yes	Yes
Host Country FE	Yes	Yes	Yes
No. of Origin Countries	169	169	169
No. of Host Countries	30	30	30
Obs.	20776		
R-sq.	0.098		

Summary:.This table establishes that higher corruption at the origin country is associated with lower levels of interpersonal trust at the host country. Therefore the *Great Expectations* effect does not hold for the case of interpersonal trust. The analysis controls for individual characteristics such as age, age square, gender, educational level and employment status as well as for ESS round and host country fixed effects.
Notes: (i) Corruption is measured by the Corruption Perception Index. The index takes values from 0-10 with 10 indicating the most corrupt country; (ii) "Interpersonal Trust" corresponds to the question "Most people can be trusted or you can't be too careful". The variable takes values from 0 to 10 with 0 denoting "Can't be too careful" and 10 denoting "Most people can be trusted"; (iii) robust standard error estimates, clustered at the dimension of the country of origin, are reported in parentheses; (iv) *** denotes statistical significance at the 1 percent level, ** at the 5 percent level, and * at the 10 percent level, all for two-sided hypothesis tests.

TABLE 7: Interpersonal Trust: The Persistent Effect of Institutions or of the Preferences? Horcerace Regressions

	(1)	(2)	(3)
			Interpersonal Trust
Mean Preference (Origin)			0.200***
			(0.038)
Corruption (Origin)			-0.021
			(0.015)
ESS Round FE	Yes	Yes	Yes
Host Country FE	Yes	Yes	Yes
No. of Origin Countries	29	29	29
No. of Host Countries	30	30	30
Obs.			12287
R-sq.			0.118

Summary: This table establishes that the effect of institutions at the origin country is stronger than the effect of mean preferences at the origin country. The analysis conducts horserace regressions while controlling for individual characteristics such as age, age square, gender, educational level and employment status as well as for ESS round and host country fixed effects. Notes: (i) Corruption is measured by the Corruption Perception Index. The index takes values from 0-10 with 10 indicating the most corrupt country; (ii) "Interpersonal Trust" corresponds to the question "Most people can be trusted or you can't be too careful". The variable takes values from 0 to 10 with 0 denoting "Can't be too careful" and 10 denoting "Most people can be trusted"; (iii) the mean preferences of the origin country are estimated by taking the weighted averaging of the native preferences; (iv) robust standard error estimates, clustered at the dimension of the country of origin, are reported in parentheses; (v) *** denotes statistical significance at the 1 percent level, ** at the 5 percent level, and * at the 10 percent level, all for two-sided hypothesis tests.

TABLE 8: The Source of the Great Expectations Effect-Migrants from Low Quality of Institutions Countries

	(1)	(2)	(3)	(4)
	Trust in			
	Parliament	Legal System	Politicians	Police
Corruption (Origin Country)	0.421***	0.290***	0.623***	0.167***
	(0.138)	(0.092)	(0.095)	(0.054)
Corruption X Dummy	0.283	0.077	0.155	-0.068
	(0.252)	(0.202)	(0.285)	(0.202)
Dummy	1.117	1.072	-0.431	-0.852
	(3.244)	(2.399)	(3.213)	(2.023)
ESS Round FE	Yes	Yes	Yes	Yes
Host Country FE	Yes	Yes	Yes	Yes
No. of Origin Countries	167	167	167	167
No. of Host Countries	30	30	30	30
Obs.	22288	22288	22288	22288
R-sq.	0.049	0.023	0.039	0.016

Summary: This table establishes that the "Great Expectations" effect is driven by all types of migrants, i.e. the ones that move to high institutions countries and the ones moving to low institutions coutnries. Notes: (i) Corruption is measured by the Corruption Perception Index. The index takes values from 0-10 with 10 indicating the most corrupt country; (ii) The variable dummy takes the value of 0 if corruption in the host country is lower than corruption in the origin country and the value of one if the opposite holds; (iii) "Trust in Parliament" takes values from 0-10 with 0 denoting "no trust at all", and 10 denoting "complete trust"; (iv) "Trust in the Legal System" takes values from 0-10 with 0 denoting "no trust at all", and 10 denoting "complete trust"; (v) "Trust in Politicians" takes values from 0-10 with 0 denoting "no trust at all", and 10 denoting "complete trust"; (vi) "Trust in the Police" takes values from 0-10 with 0 denoting "no trust at all", and 10 denoting "complete trust"; (vii) robust standard error estimates, clustered at the dimension of the country of origin, are reported in parentheses; (viii) *** denotes statistical significance at the 1 percent level, ** at the 5 percent level, and * at the 10 percent level, all for two-sided hypothesis tests.

TABLE 9: Short-Run vs Long-Run Attitudes: Satisfaction with Respect to Institutions

	(1)	(2)	(3)	(4)
	Satisfied with (all Migrants)			
	Economy	Democracy	Education	Health
Corruption (Origin Country)	0.225***	0.325***	-0.183	-0.072
	(0.061)	(0.070)	(0.145)	(0.065)
Age	-0.369***	-0.300***	-0.220***	-0.201***
	(0.037)	(0.042)	(0.033)	(0.035)
Age Square	0.004***	0.003***	0.004***	0.002***
	(0.000)	(0.000)	(0.000)	(0.000)
Women	1.065***	2.500***	-0.625**	-0.578***
	(0.195)	(0.342)	(0.290)	(0.156)
Education	-0.666***	-1.443***	-0.919***	-0.280***
	(0.087)	(0.168)	(0.281)	(0.074)
Employment	-1.193***	-0.521	-0.364	0.228
	(0.263)	(0.525)	(0.578)	(0.470)
Time FE	Yes	Yes	Yes	Yes
Country FE	Yes	Yes	Yes	Yes
No. of Origin Countries	167	167	167	167
No. of Host Countries	30	30	30	30
R-sq.	22311	22311	22311	22311
Countries	0.035	0.043	0.043	0.031

Summary: This table establishes that the *Great Expectations* effect is not related to satisfaction of migrants with respect to the economy, democracy, education and health services. The analysis controls for individual characteristics such as age, age square, gender, educational level and employment status as well as for ESS round and host country fixed effects. Notes: (i) Corruption is measured by the Corruption Perception Index. The index takes values from 0-10 with 10 indicating the most corrupt country; (ii) "Satisfaction with the Economy" corresponds to the question "How satisfied with present state of economy in country". The variable takes values from 0 to 10 with 0 denoting "extremely dissatisfied" and 10 denoting "extremely satisfied"; (iii) "Satisfaction with Democracy" corresponds to the question "How satisfied with the way democracy works in country". The variable takes values from 0 to 10 with 0 denoting "extremely dissatisfied" and 10 denoting "extremely satisfied"; (iv) "Satisfaction with Education" corresponds to the question "How satisfied with the state of education in the country nowadays". The variable takes values from 0 to 10 with 0 denoting "extremely dissatisfied" and 10 denoting "extremely satisfied"; (v) "Satisfaction with Health" corresponds to the question "How satisfied with the state of health services in the country nowadays". The variable takes values from 0 to 10 with 0 denoting "extremely dissatisfied" and 10 denoting "extremely satisfied"; (vi) robust standard error estimates, clustered at the dimension of the country of origin, are reported in parentheses; (vii) *** denotes statistical significance at the 1 percent level, ** at the 5 percent level, and * at the 10 percent level, all for two-sided hypothesis tests.

TABLE 10: Great Expectations Effect: First Generation Migrants

	(1)	(2)	(3)	(4)
	Trust in			
	Parliament	Legal System	Politicians	Police
Corruption (Origin Country)	0.364**	0.311***	0.623***	0.186***
	(0.152)	(0.099)	(0.101)	(0.064)
Age	-0.411***	-0.323***	-0.227***	-0.187***
	(0.060)	(0.046)	(0.072)	(0.038)
Age Square	0.003***	0.004***	0.002***	0.002***
	(0.001)	(0.000)	(0.001)	(0.000)
Women	2.318***	1.691***	2.263***	1.306***
	(0.359)	(0.288)	(0.311)	(0.200)
Education	-0.890***	-0.489***	-1.065***	-0.242**
	(0.167)	(0.123)	(0.185)	(0.093)
Employment	0.123	-0.099	-0.101	-0.364
	(0.803)	(0.660)	(0.601)	(0.401)
ESS Round FE	Yes	Yes	Yes	Yes
Host Country FE	Yes	Yes	Yes	Yes
Obs.	13352	13352	13352	13352
R-sq.	0.053	0.023	0.042	0.016

Summary: This table establishes the presence of the *Great Expectations* effect, for the sample of first generation migrants. Analytically, the trust of migrants in: i) the parliament, ii) the legal system, iii) the politicians, and iv) the police, is positively correlated with the level of corruption at the home country, while controlling for ESS round and host country fixed effects. Notes: (i) Corruption is measured by the Corruption Perception Index. The index takes values from 0-10 with 10 indicating the most corrupt country; (ii) "Trust in Parliament" takes values from 0-10 with 0 denoting "no trust at all", and 10 denoting "complete trust"; (iii) "Trust in the Legal System" takes values from 0-10 with 0 denoting "no trust at all", and 10 denoting "complete trust"; (iv) "Trust in Politicians" takes values from 0-10 with 0 denoting "no trust at all", and 10 denoting "complete trust"; (v) "Trust in the Police" takes values from 0-10 with 0 denoting "no trust at all", and 10 denoting "complete trust"; (vi) robust standard error estimates, clustered at the dimension of the country of origin, are reported in parentheses; (vii) *** denotes statistical significance at the 1 percent level, ** at the 5 percent level, and * at the 10 percent level, all for two-sided hypothesis tests.

TABLE 11: Great Expectations Effect: Second Generation Migrants

	(1)	(2)	(3)	(4)
	Trust in			
	Parliament	Legal System	Politicians	Police
Corruption (Origin Country)	0.232**	0.129**	0.214***	0.020
	(0.099)	(0.062)	(0.070)	(0.056)
Age	-0.311***	-0.251***	-0.235***	-0.060**
	(0.040)	(0.044)	(0.036)	(0.024)
Age Square	0.003***	0.003***	0.002***	0.001***
	(0.000)	(0.000)	(0.000)	(0.000)
Women	1.026***	0.916***	0.729***	0.208
	(0.181)	(0.189)	(0.239)	(0.160)
Education	-0.578***	-0.531***	-0.306***	-0.022
	(0.135)	(0.152)	(0.115)	(0.112)
Employment	-0.778*	-1.134*	-0.287	-0.440
	(0.460)	(0.621)	(0.483)	(0.306)
ESS Round FE	Yes	Yes	Yes	Yes
Host Country FE	Yes	Yes	Yes	Yes
Obs.	8959	8959	8959	8959
R-sq.	0.039	0.025	0.029	0.017

Summary: This table establishes the presence of the *Great Expectations* effect, for the sample of second generation migrants. Analytically, the trust of migrants in: i) the parliament, ii) the legal system, iii) the politicians, and iv) the police, is positively correlated with the level of corruption at the home country, while controlling for ESS round and host country fixed effects. Notes: (i) Corruption is measured by the Corruption Perception Index. The index takes values from 0-10 with 10 indicating the most corrupt country; (ii) "Trust in Parliament" takes values from 0-10 with 0 denoting "no trust at all", and 10 denoting "complete trust"; (iii) "Trust in the Legal System" takes values from 0-10 with 0 denoting "no trust at all", and 10 denoting "complete trust"; (iv) "Trust in Politicians" takes values from 0-10 with 0 denoting "no trust at all", and 10 denoting "complete trust"; (v) "Trust in the Police" takes values from 0-10 with 0 denoting "no trust at all", and 10 denoting "complete trust"; (vi) robust standard error estimates, clustered at the dimension of the country of origin, are reported in parentheses; (vii) *** denotes statistical significance at the 1 percent level, ** at the 5 percent level, and * at the 10 percent level, all for two-sided hypothesis tests.

TABLE 12: Robustness to Alternative Measure of Corruption and Alternative Time Periods-WGI Corruption Index

	(1)	(2)	(3)	(4)	(5)
	Trust in				Interpersonal
	Parliament	Legal System	Politicians	Police	Trust
Control of Corruption	0.991***	0.694***	1.172***	0.377***	-0.068*
	(0.232)	(0.155)	(0.173)	(0.088)	(0.035)
ESS Round FE	Yes	Yes	Yes	Yes	Yes
Host Country FE	Yes	Yes	Yes	Yes	Yes
Obs.	22315	22315	22315	22315	22315
R-sq.	0.015	0.049	0.023	0.038	0.016

Summary: This table establishes the robustness of the baseline results to the use of alternative measures of institutional quality. .
Notes: (i) "Control of Corruption" is measured by the World Governance Indicators measure. The index ranges from -2.5 (strong) to 2.5 (weal) governance performance. The mean value for the period 1996-2000 is employed; (ii) "Trust in Parliament" takes values from 0-10 with 0 denoting "no trust at all", and 10 denoting "complete trust"; (iii) "Trust in the Legal System" takes values from 0-10 with 0 denoting "no trust at all", and 10 denoting "complete trust"; (iv) "Trust in Politicians" takes values from 0-10 with 0 denoting "no trust at all", and 10 denoting "complete trust"; (v) "Trust in the Police" takes values from 0-10 with 0 denoting "no trust at all", and 10 denoting "complete trust"; (vi) "Interpersonal Trust" corresponds to the question "Most people can be trusted or you can't be too careful". The variable takes values from 0 to 10 with 0 denoting "Can't be too careful" and 10 denoting "Most people can be trusted"; (vii) robust standard error estimates, clustered at the dimension of the country of origin, are reported in parentheses; (viii) *** denotes statistical significance at the 1 percent level, ** at the 5 percent level, and * at the 10 percent level, all for two-sided hypothesis tests.

TABLE 13: Robustness to Alternative Measure of Corruption and Alternative Time Periods- ICRG Corruption Index

	(1)	(2)	(3)	(4)	(5)
	Trust in				Interpersonal
	Parliament	Legal System	Politicians	Police	Trust
ICRG Corruption	0.725***	0.488***	0.877***	0.230***	-0.086***
	(0.195)	(0.147)	(0.182)	(0.088)	(0.030)
ESS Round FE	Yes	Yes	Yes	Yes	
Host Country FE	Yes	Yes	Yes	Yes	
Obs.	20938	20938	20938	20938	20938
R-sq.	0.050	0.023	0.038	0.016	0.016

Summary: This table establishes the robustness of the baseline results to the use of alternative measures of institutional quality. .
Notes: (i) "ICRG Corruption" is using the ICRG index that ranges from 0 (least corrupt country) to 6 (most corrupt country) 1984-2000 is employed; (ii) "Trust in Parliament" takes values from 0-10 with 0 denoting "no trust at all", and 10 denoting "complete trust"; (iii) "Trust in the Legal System" takes values from 0-10 with 0 denoting "no trust at all", and 10 denoting "complete trust"; (iv) "Trust in Politicians" takes values from 0-10 with 0 denoting "no trust at all", and 10 denoting "complete trust"; (v) "Trust in the Police" takes values from 0-10 with 0 denoting "no trust at all", and 10 denoting "complete trust"; (vi) "Interpersonal Trust" corresponds to the question "Most people can be trusted or you can't be too careful". The variable takes values from 0 to 10 with 0 denoting "Can't be too careful" and 10 denoting "Most people can be trusted"; (vii) robust standard error estimates, clustered at the dimension of the country of origin, are reported in parentheses; (viii) *** denotes statistical significance at the 1 percent level, ** at the 5 percent level, and * at the 10 percent level, all for two-sided hypothesis tests.

TABLE 14: Robustness: Paternal and Spousal Controls

	(1)	(2)	(3)	(4)
	Trust in			
	Parliament	Legal System	Politicians	Police
Corruption (Origin Country)	0.500***	0.358***	0.623***	0.186***
	(0.128)	(0.079)	(0.088)	(0.047)
Age	-0.298***	-0.259***	-0.167***	-0.121***
	(0.038)	(0.037)	(0.048)	(0.026)
Age Square	0.003***	0.003***	0.002***	0.002***
	(0.000)	(0.000)	(0.000)	(0.000)
Women	1.884***	1.408***	1.703***	0.893***
	(0.239)	(0.194)	(0.220)	(0.131)
Education	-0.711***	-0.435***	-0.750***	-0.141*
	(0.140)	(0.094)	(0.142)	(0.074)
Employment	-0.165	-0.452	-0.153	-0.384
	(0.570)	(0.529)	(0.458)	(0.315)
Paternal Education	0.009	0.014*	0.008	0.003
	(0.007)	(0.007)	(0.007)	(0.003)
Maternal Education	0.024***	0.015***	0.023***	0.009**
	(0.007)	(0.005)	(0.007)	(0.004)
Spousal Education	-0.001	0.001	0.003	-0.001
	(0.005)	(0.003)	(0.004)	(0.002)
ESS Round FE	Yes	Yes	Yes	Yes
Host Country FE	Yes	Yes	Yes	Yes
Obs.	22311	22311	22311	22311
R-sq.	0.050	0.024	0.040	0.016

Summary: This table establishes the robustness of the presence of the *Great Expectations* effect, after augmenting the baseline analysis with controls for paternal, maternal and spousal educational level Notes: (i) Corruption is measured by the Corruption Perception Index. The index takes values from 0-10 with 10 indicating the most corrupt country; (ii) "Trust in Parliament" takes values from 0-10 with 0 denoting "no trust at all", and 10 denoting "complete trust"; (iii) "Trust in the Legal System" takes values from 0-10 with 0 denoting "no trust at all", and 10 denoting "complete trust"; (iv) "Trust in Politicians" takes values from 0-10 with 0 denoting "no trust at all", and 10 denoting "complete trust"; (v) "Trust in the Police" takes values from 0-10 with 0 denoting "no trust at all", and 10 denoting "complete trust"; (vi) robust standard error estimates, clustered at the dimension of the country of origin, are reported in parentheses; (vii) *** denotes statistical significance at the 1 percent level, ** at the 5 percent level, and * at the 10 percent level, all for two-sided hypothesis tests.

TABLE 15: Robustness: Additional Individual Controls and Assimilation

	(1)	(2)	(3)	(4)
	Trust in			
	Parliament	Legal System	Politicians	Police
Corruption (Origin Country)	0.363***	0.289***	0.469***	0.137***
	(0.097)	(0.067)	(0.069)	(0.045)
ESS Round FE	Yes	Yes	Yes	Yes
Host Country FE	Yes	Yes	Yes	Yes
Religious Person FE	Yes	Yes	Yes	Yes
Income FE	Yes	Yes	Yes	Yes
Citizenship FE	Yes	Yes	Yes	Yes
Voted in the Last Election	Yes	Yes	Yes	Yes
Member of a Discriminated Group	Yes	Yes	Yes	Yes
Obs.	15161	15161	15161	15161
R-sq.	0.065	0.029	0.051	0.024

Summary:.This table establishes the robustness of the baseline analysis to the introduction of additional controls including religious person, income, citizenship, vote in the last election and member of a discriminated group FE. The additional controls ensure that all important aspects of an individuals' life are controlled for including controls that capture the extent of assimilation of the migrant.
Notes: (i) Corruption is measured by the Corruption Perception Index. The index takes values from 0-10 with 10 indicating the most corrupt country; (ii) "Trust in Parliament" takes values from 0-10 with 0 denoting "no trust at all", and 10 denoting "complete trust"; (iii) "Trust in the Legal System" takes values from 0-10 with 0 denoting "no trust at all", and 10 denoting "complete trust"; (iv) "Trust in Politicians" takes values from 0-10 with 0 denoting "no trust at all", and 10 denoting "complete trust"; (v) "Trust in the Police" takes values from 0-10 with 0 denoting "no trust at all", and 10 denoting "complete trust"; (vi) robust standard error estimates, clustered at the dimension of the country of origin, are reported in parentheses; (vii) *** denotes statistical significance at the 1 percent level, ** at the 5 percent level, and * at the 10 percent level, all for two-sided hypothesis tests.

TABLE 16: Robustness: Mother's Country of Origin

	(1)	(2)	(3)	(4)
	Trust in			
	Parliament	Legal System	Politicians	Police
Corruption (Origin Country)	0.435***	0.356***	0.544***	0.176***
	(0.111)	(0.069)	(0.081)	(0.049)
Age	-0.328***	-0.264***	-0.200***	-0.137***
	(0.041)	(0.033)	(0.046)	(0.024)
Age Square	0.003***	0.003***	0.002***	0.002***
	(0.000)	(0.000)	(0.000)	(0.000)
Women	2.033***	1.521***	1.735***	0.958***
	(0.259)	(0.256)	(0.198)	(0.155)
Education	-0.818***	-0.533***	-0.846***	-0.211***
	(0.132)	(0.097)	(0.127)	(0.076)
Employment	-0.440	-0.623	-0.138	-0.322
	(0.675)	(0.605)	(0.465)	(0.349)
ESS Round FE	Yes	Yes	Yes	Yes
Host Country FE	Yes	Yes	Yes	Yes
Obs.	21823	21823	21823	21823
R-sq.	0.049	0.024	0.037	0.015

Summary:.This table establishes the robustness of the analysis by using as the country of origin the origin of the mother of the migrant. Notes: (i) Corruption is measured by the Corruption Perception Index. The index takes values from 0-10 with 10 indicating the most corrupt country; (ii) "Trust in Parliament" takes values from 0-10 with 0 denoting "no trust at all", and 10 denoting "complete trust"; (iii) "Trust in the Legal System" takes values from 0-10 with 0 denoting "no trust at all", and 10 denoting "complete trust"; (iv) "Trust in Politicians" takes values from 0-10 with 0 denoting "no trust at all", and 10 denoting "complete trust"; (v) "Trust in the Police" takes values from 0-10 with 0 denoting "no trust at all", and 10 denoting "complete trust"; (vi) robust standard error estimates, clustered at the dimension of the country of origin, are reported in parentheses; (vii) *** denotes statistical significance at the 1 percent level, ** at the 5 percent level, and * at the 10 percent level, all for two-sided hypothesis tests.

TABLE 17: Robustness: Controlling for Income per Capita of the Origin Country

	(1)	(2)	(3)	(4)
	Trust in			
	Parliament	Legal System	Politicians	Police
Corruption (Origin Country)	0.370**	0.375***	0.441***	0.202**
	(0.184)	(0.140)	(0.124)	(0.083)
Log GDP per Capita (Origin Country)	-0.360	0.077	-0.533**	0.069
	(0.337)	(0.285)	(0.252)	(0.184)
Age	-0.301***	-0.266***	-0.180***	-0.119***
	(0.034)	(0.037)	(0.048)	(0.025)
Age Square	0.003***	0.003***	0.002***	0.002***
	(0.000)	(0.000)	(0.001)	(0.000)
Women	1.890***	1.432***	1.753***	0.898***
	(0.238)	(0.192)	(0.209)	(0.125)
Education	-0.749***	-0.483***	-0.780***	-0.158**
	(0.136)	(0.096)	(0.137)	(0.075)
Employment	-0.167	-0.369	-0.205	-0.357
	(0.569)	(0.530)	(0.441)	(0.310)
ESS Round FE	Yes	Yes	Yes	Yes
Host Country FE	Yes	Yes	Yes	Yes
Obs.	22268	22268	22268	22268
R-sq.	0.049	0.023	0.039	0.016

Summary: This table establishes the robustness of the baseline analysis to the inclusion of additional controls fromteh origin country, in particular the level of income per capita which reflects the stage of developement of the country analysis Notes: (i) Corruption is measured by the Corruption Perception Index. The index takes values from 0-10 with 10 indicating the most corrupt country; (ii) Log GDP per capita comes from the WDI and denotes the average level of income per capita of the origin country for the period 1980-2009; (iii) "Trust in Parliament" takes values from 0-10 with 0 denoting "no trust at all", and 10 denoting "complete trust"; (iv) "Trust in the Legal System" takes values from 0-10 with 0 denoting "no trust at all", and 10 denoting "complete trust"; (v) "Trust in Politicians" takes values from 0-10 with 0 denoting "no trust at all", and 10 denoting "complete trust"; (vi) "Trust in the Police" takes values from 0-10 with 0 denoting "no trust at all", and 10 denoting "complete trust"; (vii) robust standard error estimates, clustered at the dimension of the country of origin, are reported in parentheses; (viii) *** denotes statistical significance at the 1 percent level, ** at the 5 percent level, and * at the 10 percent level, all for two-sided hypothesis tests.

TABLE 18: Robustness: Double Clustering

	(1)	(2)	(3)	(4)
	Trust in			
	Parliament	Legal System	Politicians	Police
Corruption (Origin Country)	0.500***	0.357***	0.623***	0.186***
	(0.182)	(0.109)	(0.151)	(0.055)
Age	-0.301***	-0.267***	-0.183**	-0.119**
	(0.065)	(0.049)	(0.074)	(0.055)
Age Square	0.003***	0.003***	0.002**	0.002**
	(0.001)	(0.001)	(0.001)	(0.001)
Women	1.867***	1.411***	1.703***	0.882***
	(0.442)	(0.210)	(0.347)	(0.166)
Education	-0.754***	-0.478***	-0.794***	-0.157
	(0.178)	(0.146)	(0.161)	(0.113)
Employment	-0.130	-0.406	-0.097	-0.377
	(0.681)	(0.641)	(0.370)	(0.346)
ESS Round FE	Yes	Yes	Yes	Yes
Host Country FE	Yes	Yes	Yes	Yes
Obs.	22311	22311	22311	22311
R-sq.	0.049	0.023	0.038	0.016

Summary: This table establishes the robustness of the baseline analysis to clustering the standard errors at the dimension of the country of origin and of the host country.
Notes: (i) Corruption is measured by the Corruption Perception Index. The index takes values from 0-10 with 10 indicating the most corrupt country; (ii) "Trust in Parliament" takes values from 0-10 with 0 denoting "no trust at all", and 10 denoting "complete trust"; (iii) "Trust in the Legal System" takes values from 0-10 with 0 denoting "no trust at all", and 10 denoting "complete trust"; (iv) "Trust in Politicians" takes values from 0-10 with 0 denoting "no trust at all", and 10 denoting "complete trust"; (v) "Trust in the Police" takes values from 0-10 with 0 denoting "no trust at all", and 10 denoting "complete trust"; (vi) robust standard error estimates, clustered at the dimension of the country of origin and of the host country, are reported in parentheses; (vii) *** denotes statistical significance at the 1 percent level, ** at the 5 percent level, and * at the 10 percent level, all for two-sided hypothesis tests.

Appendices

A Summary Statistics

TABLE A.1: Countries of Origin of the 2nd, 3rd and 4th Generation Migrants

Country	(1) Distinct Destination Countries	(2) Number of Immigrants from Birth Country	(3) Most Prevalent Destination Country	(4) Number of Migrants to Prevalent Destin. Country
Afghanistan	11	40	The Netherlands	11
Antigua	2	3	United Kingdom	2
Albania	13	291	Greece	259
Armenia	13	66	Russia	26
Angola	6	107	Portugal	96
Argentina	14	94	Israel	36
American Samoa	1	2	United Kingdom	2
Austria	22	278	Switzerland	108
Australia	9	34	United Kingdom	19
Aruba	1	7	The Netherlands	7
Azerbaijan	10	73	Russia	28
Bosnia	15	630	Croatia	310
Barbados	1	2	United Kingdom	2
Bangladesh	6	38	United Kingdom	27
Belgium	16	170	Luxembourg	57
Burkina Faso	2	2	Spain	1
Bulgaria	25	195	Turkey	43
Bahrain	1	1	United Kingdom	1
Burundi	3	7	Belgium	5
Benin	3	3	Ireland	1
Saint Barthelemy	1	1	Ukraine	1
Brunei Darussalam	1	1	United Kingdom	1
Bolivia	6	37	Spain	28
Brazil	17	187	Portugal	118
Belarus	13	373	Estonia	128
Canada	13	44	United Kingdom	14
Zair	7	22	Belgium	14
Central African Rep.	2	2	France	1
Congo	9	55	Belgium	17
Switzerland	12	60	France	14

This section summarizes the inflows and outflows of migrants for the full sample.

TABLE A.2: Countries of Origin of the 2nd, 3rd and 4th Generation Migrants

Country	(1) Distinct Destination Countries	(2) Number of Immigrants from Birth Country	(3) Most Prevalent Destination Country	(4) Number of Migrants to Prevalent Destin. Country
Cote d'Ivoire	3	15	France	12
Chile	14	60	Sweden	25
Cameroon	6	14	Switzerland	5
China	17	95	United Kingdom	15
Colombia	10	58	Spain	38
Cuba	7	29	Spain	18
Cape Verde	7	100	Portugal	76
Christmas Island	1	1	United Kingdom	1
Cyprus	4	35	Greece	19
Czech Republic	21	344	Slovakia	140
Germany	28	1098	Switzerland	363
Denmark	10	138	Sweden	61
Dominica	1	3	United Kingdom	3
Dominican Republic	8	21	Spain	11
Algeria	13	296	France	222
Ecuador	6	74	Spain	66
Estonia	10	50	Sweden	22
Egypt	13	91	Israel	46
Eritrea	7	20	Sweden	7
Spain	18	295	France	104
Ethiopia	8	75	Israel	61
Finland	14	321	Sweden	252
Faroe Islands	3	10	Denmark	7
France	23	539	Belgium	161
Gabon	2	3	France	2
United Kingdom	21	551	Ireland	316
Grenada	1	3	United Kingdom	3
Georgia	14	134	Greece	41
French Guiana	1	1	France	1
Ghana	8	34	United Kingdom	17

Tables A.1-A.6 show the migration flows categorized by birth coutnry, whereas Table A.7 summarizes the migration flows by destination country.

TABLE A.3: Immigration Flows by Birth Country

Country	(1) Distinct Destination Countries	(2) Number of Immigrants from Birth Country	(3) Most Prevalent Destination Country	(4) Number of Migrants to Prevalent Destin. Country
Gibraltar	2	2	Spain	1
Greenland	1	10	Denmark	10
Gambia	4	9	Spain	5
Guinea	7	19	Portugal	12
Guadeloupe	2	5	France	3
Equatorial Guinea	1	2	France	2
Greece	17	215	Cyprus	58
Guatemala	3	5	Switzerland	3
Guinea-Bissau	2	13	Portugal	12
Guyana	2	4	United Kingdom	3
Hong Kong	3	9	United Kingdom	7
Honduras	2	4	Switzerland	3
Croatia	15	240	Slovenia	129
Haiti	3	8	France	6
Hungary	21	309	Slovakia	86
Indonesia	9	148	Netherlands	134
Ireland	10	186	United Kingdom	165
Israel	6	12	Germany	3
India	16	304	United Kingdom	155
Iraq	14	352	Israel	234
Iran	15	225	Israel	112
Iceland	5	20	Denmark	9
Italy	22	1038	Switzerland	369
Jamaica	4	65	United Kingdom	62
Jordan	7	9	Denmark	2
Japan	10	17	Belgium	3
Kenya	4	18	United Kingdom	11
Kyrgyzstan	5	20	Russia	14
Cambodia	3	10	France	6
Comoros	2	5	Sweden	3

TABLE A.4: Immigration Flows by Birth Country

Country	(1) Distinct Destination Countries	(2) Number of Immigrants from Birth Country	(3) Most Prevalent Destination Country	(4) Number of Migrants to Prevalent Destin. Country
Saint Kittis and Nevis	1	1	United Kingdom	1
North Korea	4	8	France	5
South Korea	7	10	United Kingdom	3
Kuwait	2	2	Ireland	1
Kazahstan	9	158	Russia	66
Lao	3	5	France	3
Lebanon	12	68	Sweden	21
Saint Lucia	1	4	United Kingdom	4
Liechtenstein	3	4	Switzerland	2
Sri Lanka	9	72	Switzerland	26
Liberia	2	3	United Kingdom	2
Lithuania	13	108	Ireland	27
Luxembourg	4	8	Belgium	4
Latvia	13	71	Estonia	31
Libya	7	79	Israel	71
Morocco	15	871	Israel	435
Monaco	2	2	Sweden	1
Moldova	15	103	Israel	29
Montenegro	5	13	Slovenia	5
Madagascar	2	14	France	13
Macedonia	13	92	Sqitzerland	32
Mali	2	8	France	7
Myanmar	2	3	United Kingdom	2
Mongolia	1	1	Ireland	1
Macao	3	3	Portugal	1
Martinique	3	9	France	6
Mauritania	2	3	France	2
Malta	3	12	United Kingdom	9
Mauritius	7	27	United Kingdom	10
Maldives	2	6	Russia	5

TABLE A.5: Immigration Flows by Birth Country

Country	(1) Distinct Destination Countries	(2) Number of Immigrants from Birth Country	(3) Most Prevalent Destination Country	(4) Number of Migrants to Prevalent Destin. Country
Mexico	5	13	Switzerland	6
Malaysia	6	18	Ireland	8
Mozambique	3	29	Portugal	27
Niger	1	1	Belgium	1
Nigeria	12	103	Ireland	47
Nicaragua	2	3	Spain	2
Netherlands	17	242	Belgium	114
Norway	8	94	Sweden	65
Nepal	4	5	Finland	2
New Zealand	4	7	United Kingdom	4
Panama	3	3	Israel	1
Peru	9	44	Spain	25
Philippines	15	87	Ireland	22
Pakistan	14	166	United Kingdom	90
Poland	27	1086	Israel	261
Puerto Rico	2	3	Spain	2
Palestinian Territory	10	32	Sweden	10
Portugal	13	469	Lxembourg	216
Paraguay	2	6	Spain	5
Reunion	3	5	France	3
Romania	27	652	Israel	201
Serbia	16	128	Switzerland	38
Russia	27	3230	Estonia	1461
Rwanda	5	8	Belgium	4
Saudi Arabia	1	1	United Kingdom	1
Solomon Island	1	1	United Kingdom	1
Seychelles	1	3	Norway	3
Sudan	8	17	Ireland	4
Sweden	13	127	Norway	63
Singapore	3	7	United Kingdom	5
Slovenia	9	44	Croatia	14

TABLE A.6: Immigration Flows by Birth Country

Country	(1) Distinct Destination Countries	(2) Number of Immigrants from Birth Country	(3) Most Prevalent Destination Country	(4) Number of Migrants to Prevalent Destin. Country
Slovakia	18	294	Czech Republic	216
Sierra Leone	1	2	United Kingdom	2
San Marino	1	1	Croatia	1
Senegal	6	29	France	15
Somalia	7	35	Sweden	9
Suriname	2	95	The Netherlands	94
Sao Tome and Principe	1	10	Portugal	10
Salvador	2	4	Spain	2
Syria	16	110	Israel	56
Swaziland	1	1	Israel	1
Chad	1	1	France	1
Togo	5	11	France	4
Thailand	12	38	Norway	8
Tajikistan	4	20	Russia	7
Timore Leste	1	1	Portugal	1
Turkmenistan	4	5	Russia	2
Tunisia	11	202	Israel	108
Turkey	19	911	Greece	255
Tridadad and Tobago	2	3	United Kingdom	2
Taiwan	3	3	Switzerland	1
Tanzania	1	2	United Kingdom	2
Ukraine	27	841	Russia	237
Uganda	5	10	United Kingdom	4
United States	25	278	Israel	47
Uruguay	6	18	Israel	7
Uzbekistan	8	90	Russia	31
Venezuela	7	17	Spain	6
Vietnam	12	59	Switzerland	13
Yemen	4	185	Israel	182
Mayotte	1	1	France	1
South Africa	10	59	United Kingdom	24
Zambia	3	6	United Kingdom	3
Zimbambwe	2	16	United Kingdom	14

TABLE A.7: Migration Flows by Country of Destination

	(1)	(2)	(3)	(4)
Country	Distinct Birth Countries	Number of Immigrants in Destin. Country	Most Prevalent Birth Country	Number Immigrants from most Prevalent Country
Austria	46	465	Germany	90
Belgium	74	977	Italy	163
Bulgaria	15	132	Romania	36
Switzerland	98	1872	Italy	369
Cyprus	37	169	Greece	58
Czech Republic	17	349	Slovakia	216
Germany	87	1349	Poland	233
Denmark	70	468	Germany	94
Estonia	24	1987	Russia	1461
Spain	70	674	Morocco	101
Finland	41	161	Russia	49
France	88	1164	Algeria	222
United Kingdom	104	1128	Ireland	165
Greece	37	821	Albania	259
Croatia	14	382	Bosnia	310
Hungary	21	189	Romania	105
Ireland	76	922	Great Nritain	316
Israel	70	3086	Morocco	435
Italy	20	27	Croatia	2
Lithuania	50	629	Portugal	216
The Netherlands	79	786	Indonesia	134
Norway	63	482	Sweden	63
Poland	18	150	Germany	60
Portugal	37	458	Brazil	118
Russia	23	577	Ukraine	237
Sweden	84	1016	Finland	252
Slovenia	22	376	Croatia	129
Slovakia	13	286	Czech Republic	140
Turkey	13	85	Bulgaria	43
Ukraine	26	1209	Russia	944

TABLE B.1: The Effect of Low Quality Institutions at Home on Native Trust

	(1)	(2)	(3)	(4)
	Native Trust in			
	Parliament	Legal System	Politicians	Police
Corruption (Native)	-0.971***	-1.052***	-0.760***	-0.983***
	(0.057)	(0.058)	(0.045)	(0.043)
No of Countries	30	30	30	30
R-sq.	0.879	0.864	0.826	0.912

Summary: This table shows that corruption at the home country is negatively correlated with native trust thereby suggesting that the *Great Expectations* effects holds only for migrants. Notes: (i) Corruption is measured by the Corruption Perception Index. The index takes values from 0-10 with 10 indicating the most corrupt country; (ii) "Trust in Parliament" takes values from 0-10 with 0 denoting "no trust at all", and 10 denoting "complete trust"; (iii) "Trust in the Legal System" takes values from 0-10 with 0 denoting "no trust at all", and 10 denoting "complete trust"; (iv) "Trust in Politicians" takes values from 0-10 with 0 denoting "no trust at all", and 10 denoting "complete trust"; (v) "Trust in the Police" takes values from 0-10 with 0 denoting "no trust at all", and 10 denoting "complete trust"; (vi) all measures are aggregated at the country level after excluding the sample of migrants; (vii) the period explored for all dependent and explanatory variables is the average of the years 2000-2010; (viii) robust standard error estimates, clustered at the dimension of the country of origin, are reported in parentheses; (ix) *** denotes statistical significance at the 1 percent level, ** at the 5 percent level, and * at the 10 percent level, all for two-sided hypothesis tests.

B Additional Results

This section provides additional results.

C Variable Definitions and Sources

This section provides an analytical overview of all the variables employed in the analysis.

C.1 ESS Variables

Outcome Variables

Trust in Parliament. "Trust in Parliament" corresponds to the question "Using this card, please tell me on a score of 0-10 how much you personally trust each of the institutions I read out. 0 means you do not trust an institution at all, and 10 means you have complete trust. Firstly [country]'s parliament?"

Mean Trust in Parliament. The mean preferences of the origin country are estimated by taking the weighted averaging of the native preferences for all ESS rounds.

Trust in the Legal System. "Trust in the Legal System" corresponds to the question "Using this card, please tell me on a score of 0-10 how much you personally trust each of the institutions I read out. 0 means you do not trust an institution at all, and 10 means you have complete trust. Firstly [country]'s legal system?"

Mean Trust in Legal System. The mean preferences of the origin country are estimated by taking the weighted averaging of the native preferences for all ESS rounds.

Trust in Politicians. "Trust in Politicians" corresponds to the question "Using this card, please tell me on a score of 0-10 how much you personally trust each of the institutions I read out. 0 means you do not trust an institution at all, and 10 means you have complete trust. Firstly [country]'s politicians?"

Mean Trust in Politicians. The mean preferences of the origin country are estimated by taking the weighted averaging of the native preferences for all ESS rounds.

Trust in the Police. "Trust in the Police" corresponds to the question "Using this card, please tell me on a score of 0-10 how much you personally trust each of the institutions I read out. 0 means you do not trust an institution at all, and 10 means you have complete trust. Firstly [country]'s police?"

Mean Trust in the Police. The mean preferences of the origin country are estimated by taking the weighted averaging of the native preferences for all ESS rounds.

Intepresonal Trust. "Interpersonal Trust" corresponds to the question "Most people can be trusted or you can't be too careful". The variable takes values from 0 to 10 with 0 denoting "Can't be too careful" and 10 denoting "Most people can be trusted".

Mean Interpersonal Trust. The mean preferences of the origin country are estimated by taking the weighted averaging of the native preferences for all ESS rounds.

Satisfaction Economy. "Satisfaction with the Economy" corresponds to the question "How satisfied with present state of economy in country". The variable takes values from 0 to 10 with 0 denoting "extremely dissatisfied" and 10 denoting "extremely satisfied".

Satisfaction Democracy. "Satisfaction with Democracy" corresponds to the question "How satisfied with the way democracy works in country". The variable takes values from 0 to 10 with 0 denoting "extremely dissatisfied" and 10 denoting "extremely satisfied".

Satisfaction Education. "Satisfaction with Education" corresponds to the question "How satisfied with the state of education in the country nowadays". The variable takes values from 0 to 10 with 0 denoting "extremely dissatisfied" and 10 denoting "extremely satisfied".

Satisfaction Health. "Satisfaction with Health" corresponds to the question "How satisfied with the state of health services in the country nowadays". The variable takes values from 0 to 10 with 0 denoting "extremely dissatisfied" and 10 denoting "extremely satisfied".

Ban Parties. "Ban Parties" corresponds to the question "Using this card, please say to what extent you agree or disagree with each of the following statements: Political parties that wish to overthrow democracy should be banned". The variable takes values from 1 to 5 with 1 denoting "Agree Strongly" and 5 denoting "Disagree Strongly".

Demonstrations. "Participate in Demonstration" corresponds to the question "During the last 12 months, have you done any of the following? Firstly ...Taken part in a lawful public demonstration". The variable is binary with 1 denoting "Yes" and 2 denoting "No".

Petition. "Signed Petition" corresponds to the question "During the last 12 months, have you done any of the following? Firstly...Signed a petition". The variable is binary with 1 denoting "Yes" and 2 denoting "No".

Inerested in Politics. "Interested in Politics" corresponds to the question "How interested would you say you are in politics" with 1 denoting "Very Interested" and 4 denoting "Hardly Interested".

Individual Controls

Age. The age of the respondent.

Gender. The gender of the respondent.

Religious Denomination. The religious group in which the respondent belongs. The questionnaire covers 8 broad categories of religious denominations (Roman Catholic, Protestant, Eastern Orthodox, Other Christian denomination, Jewish, Islamic, Eastern Religions, Other non-Christian Religions) and a category of non-religious people.

Level of Education. The higher level of education attained by the respondent. The questionnaire distinguishes seven different levels of education (less than lower secondary, lower secondary, lower tier upper secondary, upper tier upper secondary, advanced vocational, lower tertiary BA level, higher tertiary > MA level).

Parental and Spouse Educational Level. The higher level of education attained by the respondents' father, mother and spouse. The questionnaire distinguishes seven different levels of education (less than lower secondary, lower secondary, lower tier upper secondary, upper tier upper secondary, advanced vocational, lower tertiary BA level, higher tertiary > MA level).

C.2 Aggregate Variables

Corruption. "Corruption" is measured by the Corruption Perception Index. The index takes values from 0-10 with 10 indicating the most corrupt country. The measure has been modified compared to the original one to facilitate interpretation.

Control of Corruption. "Control of Corruption" is measured by the World Governance Indicators measure. The index ranges from -2.5 (weak) to 2.5 (strong) governance performance. The measure has been modified compared to the original one to facilitate interpretation.

ICRG Corruption. "ICRG Corruption" is using the ICRG index that ranges from 0 (least corrupt country) to 6 (most corrupt country) 1984-2000 is employed. The measure has been modified compared to the original one to facilitate interpretation.

GDP per Capita. Log GDP per capita comes from the WDI and denotes the average level of income per capita of the origin country for the period 1980-2009